



This is a digital copy of a book that was preserved for generations on library shelves before it was carefully scanned by Google as part of a project to make the world's books discoverable online.

It has survived long enough for the copyright to expire and the book to enter the public domain. A public domain book is one that was never subject to copyright or whose legal copyright term has expired. Whether a book is in the public domain may vary country to country. Public domain books are our gateways to the past, representing a wealth of history, culture and knowledge that's often difficult to discover.

Marks, notations and other marginalia present in the original volume will appear in this file - a reminder of this book's long journey from the publisher to a library and finally to you.

Usage guidelines

Google is proud to partner with libraries to digitize public domain materials and make them widely accessible. Public domain books belong to the public and we are merely their custodians. Nevertheless, this work is expensive, so in order to keep providing this resource, we have taken steps to prevent abuse by commercial parties, including placing technical restrictions on automated querying.

We also ask that you:

- + *Make non-commercial use of the files* We designed Google Book Search for use by individuals, and we request that you use these files for personal, non-commercial purposes.
- + *Refrain from automated querying* Do not send automated queries of any sort to Google's system: If you are conducting research on machine translation, optical character recognition or other areas where access to a large amount of text is helpful, please contact us. We encourage the use of public domain materials for these purposes and may be able to help.
- + *Maintain attribution* The Google "watermark" you see on each file is essential for informing people about this project and helping them find additional materials through Google Book Search. Please do not remove it.
- + *Keep it legal* Whatever your use, remember that you are responsible for ensuring that what you are doing is legal. Do not assume that just because we believe a book is in the public domain for users in the United States, that the work is also in the public domain for users in other countries. Whether a book is still in copyright varies from country to country, and we can't offer guidance on whether any specific use of any specific book is allowed. Please do not assume that a book's appearance in Google Book Search means it can be used in any manner anywhere in the world. Copyright infringement liability can be quite severe.

About Google Book Search

Google's mission is to organize the world's information and to make it universally accessible and useful. Google Book Search helps readers discover the world's books while helping authors and publishers reach new audiences. You can search through the full text of this book on the web at <http://books.google.com/>

A

755,982

FAIR PLAY

"As Ye Sow, So Shall
Ye Reap" 

NOTICE

MR. MUDGE

MR. MCKENNA

AN ALMOST UNPARDONABLE ERROR

In final proofreading, the author being absent from the city, the name of Mr. MUDGE, President of the Rock Island Lines, was placed under the portrait of Mr. McKENNA. Vice-President of the C. M. & St. P. Ry., and that of Mr. McKENNA under the portrait of Mr. MUDGE. This error will be rectified in the next edition.

In the meanwhile, I sincerely ask the pardon of Messrs. MUDGE and McKENNA and the indulgence of my friends and readers.

F. S. MORDAUNT

JULY 6TH, 1911

Transportation
Library

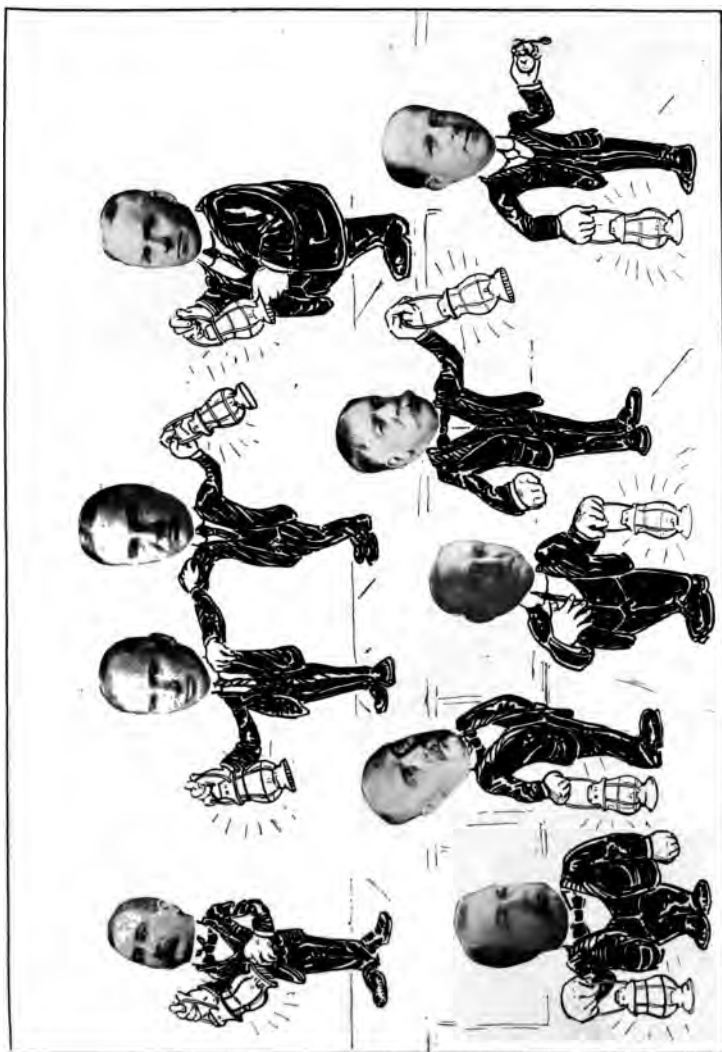
11
2741
1945

Copy



•

•



Taking one consideration with another, a railroader's life is not a happy one.

"AS YE SOW, SO SHALL YE REAP"

FAIR PLAY

A CLEAN HONEST STATEMENT
OF THE
RAILROAD AND
TRANSPORTATION SITUATION

By
FREDERICK S. MORDAUNT
ASSISTED BY TOLL STERN

ILLUSTRATED BY DOROTHY ANIOL
PHOTOGRAPHS BY MOFFETT

PUBLISHED BY
NATIONAL RAILWAY PUBLISHING CO.
CHICAGO

1911



Copyright 1911
By F. S. MORDAUNT

The Caslon Press
Chicago



LC A 1: 13227
10-11-32

TO MY FRIEND
GEORGE H. ROSS

TO WHOSE UNALTERABLE FRIENDSHIP, STRENGTH
OF RIGHTEOUSNESS, LOYALTY AND
ENCOURAGEMENT,

I AM INDEBTED FOR WHATEVER SUCCESS
IN LIFE MAY BE MINE

Chicago, June 5, 1911

—The Author

INTRODUCTORY.

This book and its contents are its own introductory. "FAIR PLAY," dear to the heart of every American citizen, will need no introduction. All that is asked for it is honest thought and fair play.

I hold no brief from the railroads to plead their cause, but my close association for many years with railroads and railroad officials have placed me in a position to know the inner working much better, more truthfully and positively more honestly than the muck-raker, the muck-writer and the yellow press, the unprincipled politician and the selfish shipper.

Therefore all I ask for the contents of this book is fair consideration and for the book itself, FAIR PLAY.

—THE AUTHOR.

TABLE OF CONTENTS

Importance of Rate Question
Yellow Writers
Change in Railroad Attitude
People Hysterical
People Invest in Railroads
American Railroad Employees and Investors Ass'n
"Fair Returns"
Increase in Wages
Depreciated Earnings
Commerce Crippled by Railroad Restriction
Improvements
Lowest Rates
Lean Year
Stockholders Can Regulate
Express Companies
Ownership in Coal Mines
Efficiency
Postal Rates
Newspapers' Attitude
Protective Tariff
Government Ownership
Railroad Organization
Commercial Organization
Labor Organization
Capital and Labor Interdependent
New Era—Fair Play to All

EXTRACTS FROM THE WRITINGS

of

E. P. Ripley	Ed. Hungerford
Frank Trumbull	Judge Otis
B. F. Yoakum	Will Payne
George H. Ross	Late Listrict Attorney Jerome
P. H. Morrissey	Franklin Escher
Chancellor James R. Day	Wilmer Atkinson
Walker D. Hines	Richard Washburn Childs
Senator Bailey	C. M. Keys
W. D. Biddle	O. D. Ashley
Thomas F. Ryan	Review of Reviews
Slason Thompson	World's Work

Harper's Weekly

#

ILLUSTRATIONS

FRONTISPIECE

A Railroader's Life is Not a Happy One

THE TICKET OFFICE

Jollys the Girl—Keeps Passengers Waiting

THE INTER STATE COMMERCE COMMISSION

"Nobody Cares for Me"

INVESTMENTS MAKE THE WHOLE WORLD KIN

The People—The Banks—The Railroads

THE EXPRESS VAMPIRES

No Trespassing

EUROPE—UNITED STATES

The Lean and the Fat

DID IT EVER OCCUR TO YOU

THAT A RAILROAD'S LIFE IS FULL OF CROSSES AND
TEMPTATIONS?

It comes into existence for Prosperity's sake, and falls into the hands of Oppression, and its life from its birth is a struggle.

Opposition, restriction and legislation are the main features of its life.

When it is little the shippers fondle it; when it is big they harass it.

If it needs capital, it's for "lack of efficiency;" if it has capital, it's "watered stock."

When commerce is flourishing, it's the skill of producers; when it is dull, it's the fault of transporters.

If rates are "high," it's forced to reduce them; if they are "low," why—they're called "fair returns."

When express companies fatten, Congress can't see it, it draws up a bill for increased postal rate.

When shippers combine, and triple their income, Congress provides them with a high tariff bait.

Let the railroad but ask for what is its due, and it's told to "look in"—with its thumb in the screw.

And people applaud and shippers rejoice, and Labor bears down on it too.

It has almost been tempted to say, "What's the Use?" but instead it has said, "Though I lose, I will struggle along beneath this abuse 'til the people themselves call a truce."

FAIR PLAY

“AS YE SOW, SO SHALL YE REAP.”

The time has come when the most important question of the day,—a question which directly affects every man, woman and child in this country, must be considered with the utmost sincerity, and an earnest effort made to reach a decision that will be fair to all concerned.

It is not for the railroads to present their plea and the shippers to present their plea to a little handful of men, and allow these few men to handle entirely a question of such magnitude. The people cannot afford to sit idly by and feed upon the glowing statements of yellow vampires, and let slip through their hands the power they possess—the power of self-protection. It is the duty of every man and woman in this country to dispel from his or her mind the poison injected by the honorless men who clamor for the almighty dollar at the expense of their very souls. The people can no longer afford to be bull-dozed first by this set of dema-

gogues, then by that. Here is a question that must be weighed, and a conclusion arrived at that must be just, just not only to the railroads, but just to the people themselves.

There is no denial of the fact that the people have been abused by the railroads. The railroads have been unwise to say the least,—mighty arrogant at times, due to the fact that the people, themselves, invested in the railroad officials a great amount of power, by cringing for free passes, by cringing for certain privileges, for certain facilities. And so it came to a matter of who had the greatest influence with the railroads, until the latter became puffed-up and lost their bearing.

But who have lost their bearing now? THE PEOPLE.

Immediately at the first sound of reaction, the ever-ready scandal monger pounced forth, and hurled to the suspicious people a volume of distorted truth. Here and there men arose, who were hungry for nauseating praise, and believed their hour had come. Yellow writers grew in numbers and saturated the newspapers and magazines with filth and slime, gathered from their debauched minds. So alluringly did they present their bait, that the people swallowed hook and all, and the air became filled with hysteria.

But hysteria cannot long prevail. It has reached its height, and men and women must begin to realize that yellow writers are not saints nor guardian angels, but

that in their own hands rests the balance of power.

This question which confronts the people of the United States today is a question of their own livelihood. Trace the matter to its root and it will be found that upon the prosperity of the railroads depends their very chance for existence. Mr. E. P. Ripley is right when he says:

“Railway transportation is one of our largest industries. It employs over a million and a half of men to whom have been paid a billion dollars in wages in a single year. The concerns that make and deal in railway equipment and supplies, whose prosperity depends on that of the railways, employ perhaps as many more. Upon the amount their employers can pay these men, depends the amount they can spend with the local merchant. Upon how much goods the local merchant can sell depends the quantity he can buy from the jobber. Upon how much the jobber can sell depends how much he can buy from the manufacturer. And upon how much the manufacturer can sell depends how much wages he can pay and how much raw materials he can purchase. Therefore, the prosperity of the entire country depends to a very large degree on the prosperity of the transportation industry.”

The railroads have erred, it is true. Up to comparatively a few years ago the public undoubtedly did its duty toward the railroads better than the railroads did

towards the public, and the people were justified in taking vigorous measures to remedy the errors committed, but the course adopted has not been fair to the roads, or to themselves. The people have permitted themselves to get into a fit of passion against the railroads and their attitude has become prejudiced—antagonistic.

In the meanwhile the railroads have changed in their attitude toward the public. They recognize more clearly their duty toward the people, and they are now more anxious to fully and faithfully perform their duty than they have ever been before. But, they ask justice—*FAIR PLAY!*

Very often it has happened that the public have been wrongly impressed by the conduct of the railway employees and have taken for granted that when the gate-man said "Gwoan there, git out of the way," he was carrying out the orders of his employers and was representing the general spirit of the railroads. How many people have not had experiences like the following:

"In New York City one day I wanted to go to Buffalo and went into the offices of a certain railroad to get a ticket. I asked of the bright and unusually polite young man back of the counter for a section. He told me he didn't have one. I said, 'Then can you give me a lower?' He said, 'How can I give you a lower if I haven't got a section?' I said I didn't know, that I wasn't a mind reader



EDWIN HAWLEY



and asked him if he could give me an upper. He answered, 'YOU HEARD WHAT I SAID.' I did hear what the bright and unusually polite young man had said and I walked out of the ticket office and went farther down town, and got my ticket and lower berth on the same train to Buffalo."

* * * * *

"It happened one time in Washington I went into a ticket office about twenty minutes before train time to buy a ticket to New York. There were two very bright young men back of the counter and one of them, apparently the older, was busily engaged sorting out a coupon ticket case. About one-third of his profile was visible. The other young man was at the extreme end of the counter talking to a young lady, laughing and giggling and having the nicest kind of a time. I stood at the counter for probably two minutes; neither one of them paid the least attention to me. I finally raised my voice and asked in the most polite manner possible, 'Could I have a ticket to New York?' No reply. I waited fully a half minute longer and then raised my voice to a slightly higher pitch. The young man who was so busily engaged sorting coupons turned round and said, motioning to the young man at the other end of the counter, 'He'll wait on you,' and immediately turned again to his arduous labor of sorting coupons. I then marched to the other end of the counter to the young man who was busily engaged

with the charming young lady and approaching him as near as I thought safe I said, in my sweetest tone, 'Will you kindly sell me a ticket and parlor car seat to New York?' He looked at me with one of those scornful, withering looks (of course, I should have apologized for interrupting him in his social conversation), but he answered me quite briefly, 'IN A MINUTE.' After waiting what I thought was about a minute I did lose some patience and I leaned over the counter towards the young man sorting coupons and said to him in a voice he could not fail to hear, 'WILL YOU, OR WILL YOU NOT, SELL ME A TICKET TO NEW YORK?' He never answered me but pulled himself together, went to another ticket case, pulled out the ticket, gave me the reservation, I gave him the money, and thanks to his courtesy I was able to ride on a luxurious train to New York."

Bear in mind—these are representatives of the people as well as representatives of the railroads. Such utter indifference and discourtesy on the part of employees cannot be held entirely against the companies that pay these men salaries to serve the people.

Again, in dealing with the railroads, the public has come in contact with the lesser and minor employees, who were, to say the least, arrogant and unapproachable. To these we must attribute a great deal of the complications which have arisen.





Railroad men admit, for instance, that there has been a lot of discrimination with shippers. The wholesale shippers, or rather the men who shipped goods in large quantities could get about anything they wanted in the way of cars. Traffic officials kow-towed to them, if there was anything in the way of rates and cars and they could have it, and their claims were speedily adjusted, and properly so. The little fellow that shipped in broken lots or in single car lots, got anything that the railroads could give him after the big fellows had been attended to. In fact conditions became such that the companies realized that if some of the people were in their power, *so were the railroads in the power of certain classes of the people*. In the granting of rebates, it must be acknowledged that those who accepted were as guilty as those who gave, and the railroads made desperate attempts to stop the practice, but the matter had gone too far. That the railroads were sincere in their desire to overcome this evil is shown by the following statement of W. B. Biddle:

“Referring to your inquiry as regards pending legislation, particularly affecting the question of rebates, I have yet to find a responsible railroad official who offers any objection to the most stringent legislation, looking to the prevention of rebates or concessions of any kind, or made in any manner, that would prevent discrimination.”

But "muck rakers" were busy with their raking, and the people failed to see that the very thing they were howling about was the thing the railroads were anxious to have adjusted.

Now the shippers have raised the cry against an increase in rates, and the yellow journalists are as busy as ever with their tales of plunder and abuse, and the people, swinging in the polluted air, do not see that their cry for a "square deal" is being met with a request from the railroads for an honest investigation on the part of the people of this republic, and for their right to *FAIR PLAY*.

Let me refer the reader to an article on page eleven of the "Saturday Evening Post" issued April 15, 1911, entitled, "Making Insurgents." The article is full of purposely erroneous statements. The author is either too much ashamed or too cowardly to give his name. On page thirteen there is a cut in which the Traffic Manager is presumed to say to a shipper, "You don't seem to realize how much of a favor we're doing you to let you do business on our line."

If a statement of this kind would not be swallowed in the whole and believed to be truth by a great many people it would not be so serious. Such a statement never emanated from any railroad official in the world. Railroad officials, above aught else, welcome new industries on their lines and make it a point to

treat old industries well because that means permanent freight over their own rails,—the incoming of raw materials and the outgoing of manufactured products.

I personally created the first industrial department ever created, back in 1888 and 1889, on the Chesapeake and Ohio Railroad, under the personal direction of Oscar Murray who was then Traffic Manager, and I followed that up by creating industrial departments on other railroads. I opened up the industrial department on the Queen & Crescent Route and on the Northwestern Railroad and located some very large plants on that line and I started South Milwaukee and other similar places. In connection with Mr. George H. Ross I created the industrial department on the Burlington Lines and others followed, and I know that the policy of every Traffic Manager and of every railroad has been to cater to the industries on their lines.

Again in this article Mr. Curtis' man says that a Traffic Manager came to him (a manufacturer on the line), and said, "If you want freight service and assistance you must give me some stock in your company." *This is a plain lie.* It is not alone a plain lie but it is a contemptible one,—it besmirches men that have been clean and gives the impression that railroad men are sand baggers and hold-up men. Railroad officials, like any other human beings, may have a little surplus money and they may look for a good invest-

ment, just the same as you and I. It is their privilege to invest their money where it will pay them the best and safest returns, and railroad men generally are known to pay for all they get.

This article is full of just such discrepancies and lies. Curtis, owner and publisher of the "Saturday Evening Post" and the "Ladies Home Journal" (both very successful and commendable publications), has something to learn about railroading. If he knew anything about railroading and public utilities he would not permit such scandalous articles to appear in the columns of his paper.

In this same article the writer says that rebates are going on, only he calls them accessorial charges. Now if he knows anything at all, he knows that the Hepburn Bill has done away with all such things. Even the rulings of the Supreme Court were that private car lines had to go out of business. Private car lines were cars owned by companies or individuals and they received about $\frac{3}{4}$ of a cent a mile from the railroad companies over whose lines they were hauled. That part would have been all right but they had their own traffic organization, solicited freight and frequently gave shippers an inside rate, lower than the railroads quoted. The railroads paid a certain percentage to the private car lines for procuring this business, which the private car lines in many instances divided with the



ARROW





shippers and this is where the wrong came in, and of course this gave such large concerns as Armour and Swift, etc., who had their own car lines, an inside on rates. This was wrong, and when this was abolished I do not think anyone was happier that it was at an end than the railroad companies. They had one less condition to divide with and one thing less to milk them. The railroads have certainly not been milking the public,—it is the shippers who have been milking the railroads.

There are folks who hate the dictionary, and when they come across a word as long as “discrimination” their minds harp on that one-sided idea of “treating unequally.” But there is a broader meaning to this much abused word. It means also to “distinguish with accuracy.” How many of those who presume to judge, do that?

Ask the people you meet what they think of the “rate question” and note their answers. The utter ignorance displayed is appalling. A laborer, a merchant, a lawyer, a clergyman—it matters not whom you ask—will give you an answer sometimes like this: “Rates should be cut in half!” “Work of the Trusts!” “Pure robbery!”

THEY DO NOT THINK!

They will accept as true gospel the yells of the muck rakers—the hypnotists of the age. They will say:

"You can tell it is robbery by the way these railroad presidents and big financiers act. You can see they don't want the truth known." If the railroad presidents spent their strength yelling loud enough to be heard over the muck rakers, they would have none left on which to manage their business and take care of the millions of people whom they keep at work. Whom do the muck rakers, the yellow writers, the cheap politicians, these much applauded human shells—whom do they support? If business came to a stand-still, do you suppose they would hand anyone a loaf of bread?

One of the great men of the people, Chancellor James R. Day, said to a graduating class of the Syracuse University:

"The poor man owes more to the corporations than to any other commercial force for his opportunity to work at good wages, or work at all for that matter. The corporations, which we sometimes thoughtlessly curse, are the working man's best friends.

"Surely it must not be assumed that the hundreds of thousands of men in this country, who represent its billions of investments and its corporate commerce, are traitors to mankind, upon whom war of extermination must be made."

APPEALS TO POPULAR PASSION.

"When senators and representatives receive orders from the executive, when appeals to popu-



lar passion are made to force them to action to which their sound judgment and honest convictions are opposed, the government by the people and for the people becomes a misnomer and a deception. In that hour we are a monarchy without the name.

"It is to be hoped that we are not so dazed and daft by an office that has grown great with our greatness that it may be permitted to set aside courts, senate and congress.

"Recently pressure was brought by a message, the purpose of which the senators instantly understood and which evidently was intended to appeal to long prepared prejudices of the people. If we are a republic, why should men of senatorial dignity and long experience in both the house and senate in most instances, be coerced by the arousing of popular passion, be forced to action which many of them condemned, by throwing among them the odors of a yellow press and turning upon them the riotous shouts of unreasoning hate and prejudice. This is a most dangerous stimulus.

"Is this the method of legislation to which this great nation has descended? Is this new way the best way to make our laws?

"Every man must set himself against the class and mass spirit. They are the words of the demagogue. The rich must have the undisputed possession of their lawful wealth. And the man who toils with his hands must have a wage that will secure to him the sanitary comforts of his home,

the education of his children, the self-respect of his family and the courage and hope that make a man a useful member of society.

DAYS OF THE SCANDAL MONGER.

"We have fallen into a scandal-mongering epoch. The foul harpies of slander have created a condition and all of the civilized world is nauseated at the thought of us. It has cost us tens of millions of money and the respect of mankind. It will and should cost us our self-respect if we do not burn out with the caustic of a hot indignation this sore of slander. * * *

"A man writes a book or publishes a series of magazine articles and makes frantic effort to have a condition of frenzy created that will sell his foul-smelling pages to a people delirious with the fever of sensationalism. If what such a scandal-monger says were a hundredth part true the people would be dying by the tens of thousands from the poisons of the meats they eat, or the doctors all are mistaken about the toxic effect of such putrid things.

"But there are hundreds of thousands who never ask a question or apply the simplest analysis to any charge. A scare-line in a 'yellow' paper is equivalent to the verdict of a jury, and the people upon this verdict pronounce sentence of damnation.

"This is the epoch we are in. Nothing is right. Everything is wrong. Everybody is bad except





JAMES McCREA



the accusers. Everybody seems to be on the verge of being drawn into the filth and slime of defamation or the deadly firedamp of suspicion. The people who wait for both sides of the case are tools of trusts."

Now then, who own the railroads?

What becomes of the money deposited in the savings banks? What becomes of the money invested in insurance companies, in trust companies of various kinds, in charity institutions, in endowments, in churches, colleges and kindred associations?

The greatest portion of this money is placed in railroad bonds or mortgages and in railroad stocks.

From official data it is estimated that the savings banks (representing over sixty-six million individuals) hold \$835,791,000 railway securities; insurance companies, life, fire and accident, (representing over eighty-eight million people) hold \$845,889,938, and an incomplete list of educational institutions, \$47,468,327. Last November it was reported that trust companies held \$312,500,000 railway securities, national banks, \$298,700,000 and state banks, \$69,300,000.

It is estimated that the ownership of American railways is distributed among between 430,000 and 450,000 stockholders, and there are at least as many more bondholders.

In one railroad alone—the Illinois Central—there

are, according to the latest available statistics, 9,123 shareholders of which 7,174 own less than 100 shares.

Men, women and children are represented in these investments. Let me quote from a prominent ladies' magazine:

"It is safe to say that between 150,000 and 200,000 shareholders in American railroads are women.

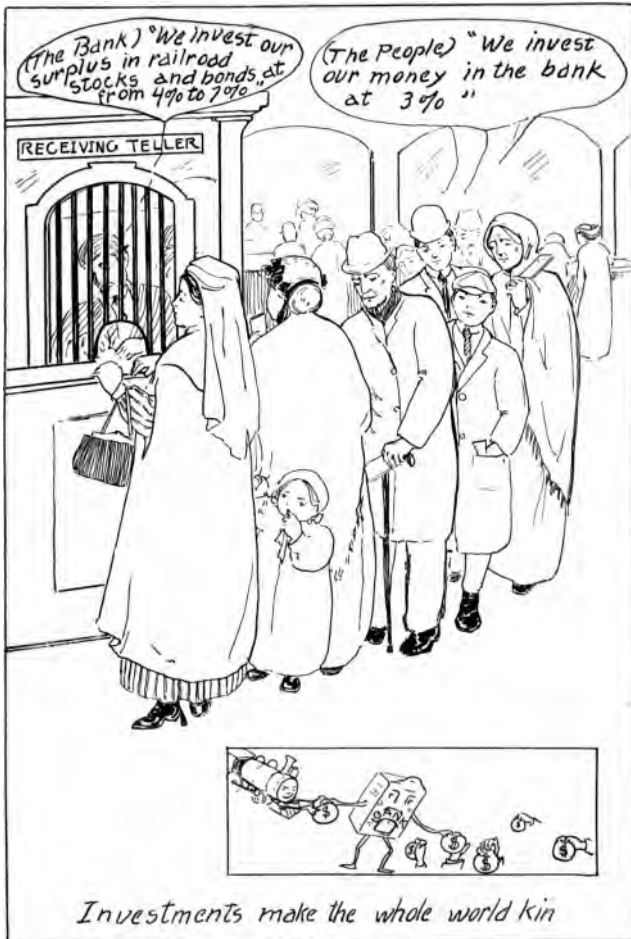
"In our vast army of corporation stockholders—some two millions in number—there must be over six hundred thousand women.

"Between 6,000,000 and 8,000,000 more are indirectly interested through deposits in banks and premiums paid to insurance companies.

"The key-note in the readjustment of woman is financial. It is not that a few individuals like Hetty Green and Mrs. Harriman and other wealthy women have shown marked business ability. That is interesting. The really amazing thing is the extent to which women are now figuring in finance; the mass of women who figure. That is important.

"Take railroads: In many of the older roads, (especially those leased to the big lines) there are nearly as many women shareholders as men.

"The Pennsylvania Railroad recently announced that it numbered 28,000 women among its 58,000 shareholders, or 47 per cent. Applying this proportion to the shareholders' lists of all Pennsylvania lines, it is safe to approximate the





number of women owners of stock of the Pennsylvania system at 36,000. These women own altogether \$148,000,000 out of the \$314,000,000 of Pennsylvania stock. Consequently, when the semi-annual dividends are distributed, nearly half of them go to women.

"It was interesting to observe that when Pennsylvania stock rose, while many small holders took their profits by selling their shares, the number of women who did this was comparatively small. That illustrates a marked trait of women in finance.

"Not long ago the officials of the New Haven Railroad discovered that their women stockholders actually outnumbered the men by nine per cent. There were 5,747 men stockholders to 7,097 women.

"The Georgia Railroad & Banking Company has 1,096 shareholders, of whom 494, or 45 per cent, are individual women, while the proportion of women among the 214 shareholders classed as estates, guardians, trustees and executors, is very high.

"Take banking: The 5,500 national banks existing in 1904 had approximately 105,000 women out of 320,000 shareholders—nearly one-third. Today there are many more national banks—nearly seven thousand, according to the last report. The figures for women stockholders are not yet available, still, if the ratio of one-third is taken, there must now be more than 130,000 women owners of national bank stock."

And so it is with every large railroad.

Therefore it proves conclusively that, contrary to the popular song, *the railroads are not owned by a few leading people*, but BY *THE MASSES*. If the small shareholders would *combine* they could at any time elect any kind of Board Directors they desired. If they would take an active interest, the management would rest entirely in their hands. So, that the great cry that a few people own the railroads is entirely refuted and completely knocked to pieces by this showing.

Since, besides the vast armies of employees, so many hundreds of thousands of individuals are directly affected by the financial condition of the railroads, it is high time that the public lends an ear to the plea of the railroads for sincere and honest consideration of the facts as they really are, and for a chance at *FAIR PLAY*.

Here is a statement made by Mr. P. H. Morrissey, President of The American Railroad Employees and Investors Association, in his speech at the celebration of Railroad Day at Denver, Colorado, last Fall:

“What is needed now more than anything else is a clear understanding of the railway situation—calm consideration in the place of agitation. With facts and unbiased information before it, the public may be depended upon to do ultimately what is right. There has been no inconsiderable amount of loose thinking, snap judgment and

hasty speech. The railroad has been muckraked fore and aft, and many who virtually control its destiny by political influences prescribe standards for it that they would not, if prudent men, think of doing for a business of their own. If you want the whole truth regarding the history, capitalization and operation of the American railway, you will have to seek more information than you can get from the Chautauqua platform, from the featured article in the current magazine or from the utterances of the legislator who poses for the press gallery while he exaggerates the errors and imperfections of railway operation and seeks to make them the stepping stone for his political ambition."

The American Railroad Employees and Investors' Association is not a political organization and seeks no affiliation with political parties. The following extract will show you its purpose:

"While the railway is being treated from a political or legislative standpoint, we will be first of all interested in the 5,000,000 men, women and children—this considerable portion of our citizenship—whose daily life and welfare are dependent on the wages of railway labor. There was a time when the railway did not need the help of its employees on public questions affecting it, but that day is no more. The public has decided that it will regulate these great highways of commerce and the employee is interested in seeing that it is done without hurt to him."

The railroads are the best friend the people and the country and the world at large ever had. Right here I will quote a sentence from Monsieur Pierre Leroy-Beaulieu in "Les Etats-Unis:"

"We may boldly say, without the railroads three-quarters of the immense territory of the United States, situated too far from the sea, and having sufficient communication by rivers or lakes, would still be almost deserts and would not play in the economical life of the world a more important part than Siberia did, for instance, before being lifted from her isolation by the Trans-Siberian Railroad."

In discussing the matter with *Mr. George H. Ross*, Late Senior Vice-President of the Chicago and Alton and Clover Leaf system, he said:

"In the South and West it is difficult for roads to proceed with the development of new territory unless they can adapt their methods of freight charges and other details to the necessities of the particular situation. * * * All such development, of course, would have to be deferred in the event of unfavorable legislation, until the people awoke to the disadvantages to them of any new legislation which may be adopted."

The rate question is the bugaboo of today—the railroads' request for an increase in rates, an increase comparatively so slight and spread over the whole vast



Th. M. Kelly





volume of the country's business, that it would count for little or nothing in its general effect. And yet, it is absolutely essential to the welfare of the railroads—the men, women and children who are dependent upon them. But so close is the iron grasp of prejudice, that they are unable to make a move.

Any person who will think a thought, who will use some reason, must see that traffic cannot grow on excessive rates; that industry and commerce cannot thrive on them. Any layman who is not blind, can see that. Is it consistent then to suppose that these giants in commerce, these men who demonstrate the almost superhuman workings of the mind, who can conceive plans of construction that require nothing short of God-power to work them out and force them to a successful issue—that such men will charge a set of rates that will make it unprofitable to ship goods outside of manufacturers' immediate locality and thus stop business itself?

Is it not possible that some few private business men, who make and ship goods, are so mercenary that they are going to fight to the edge of their teeth for every cent that they can put into their pockets?

When does the consumer, the man who works for the shipper, the man who *uses* his wares, get any benefit of a reduction in freight rates?

Take leather for instance. Take the rate on leather, carload lots, from some tannery at some given point in

the West, East or South to the shoe manufacturing center of Massachusetts and then let us reduce that rate 10 per cent on 100 lbs. 10 per cent on 100 lbs., if the rate was 40c, would be 4c. 4c on 100 lbs. is even now invisible to the naked eye. Now how many pair of shoes will 100 lbs. of leather make and with a 4c saving on 100 lbs. of leather, how much less a pair would it make the shoes cost? You can't find the answer with a microscope and if you could find it, do you think the consumer would get the benefit of that 4c on 100 lbs.?

B. F. Yoakum, Chairman of the Frisco system, claims that politicians are responsible for the prevailing prejudice. He says:

"One of the subjects upon which the politician creates prejudice against the railroads is the so-called burden placed upon the people through the overissuance of securities. Two hundred forty million dollars a year is four per cent on six billion dollars, which is forty-three per cent of the total capitalization of the railroads of the United States. This extra profit of two hundred forty million dollars a year to the dealers is just as great a burden as if paid for legitimate increase of capitalization used in new construction and improvement of train service, only it is paid out in a different form.

"The thing the consumer and the railroad are jointly interested in is the fact that under present



B. F. YOAKUM



political methods of doing business, the railroad stands the loss of its revenue, and the consumer does not get it. Recent legislation has been in the interest of the comparatively few of the country's population, who live on the profits between the producer and the consumer, and all they get through freight reductions *is that much added to their profits.*"

The difference between a shipper and a railroad is that a shipper works for his own private welfare exclusively, while a railroad, though it is in a sense private, inasmuch as it is not owned by the Government, works for the welfare of the millions of people that are directly and indirectly dependent upon it, financially and otherwise; it works for the interest of the welfare of the country. Can we afford to risk the well-being of our citizens for the selfishness of a shipper?

What argument can be given for restricting the reasonable profits of the railway, which uses its power for the public good, so that they be less than the profits of concerns who merely serve a private purpose?

The proposition to regulate rates so that the earnings of railroads are limited to a "fair return" is a proposition to limit their profits as no other business ever has been limited in any commercial enterprise in any country on the face of the globe.

All the railroads want to do is as Walker D. Hines of the Sante Fe, says: "To preserve, at least in part,

the status of net revenues substantially as it has existed for several years past." Their credit and borrowing power is dependent upon the maintenance of net revenues on that basis, and upon this depends, too, their ability to meet the demands made for betterments, extensions and improvements. The requested increase in rates will no more than cover the increase in wages and general operating expenses, which have developed.

While the railroads have kept their rates low, they have paid their employees well, as shown by statistics of regular wages paid their workmen. With rates almost stationary, the average daily pay of all railway employees has within the last five years, increased to \$2.29. Since 1894 the average daily salary of railway enginemen has increased 27.1 per cent; of firemen, 35 per cent; of conductors, 29.2 per cent; and of "other trainmen" 43.9 per cent. The increase for all classes was approximately 26 per cent. *In 1910 labor received 42 per cent of the gross earnings of the railways.*

Judging from reports to the Bureau of Railway News and Statistics, about a year ago, 1,754,400 of employees of all the railways, received a compensation of \$1,172,181,000, the largest pay roll in their history by over \$100,000,000.

It must be admitted that the railroads have held up remarkably well on the existing low rates, under the pressure of continually increasing expenses. But it is



E. P. RIPLEY



human impossibility to meet the demand for low rates and better service too. What sense of business can make such ruling?

In spite of the efforts of the railroads to keep up their business on a healthy scale, the country has suffered as *E. P. Ripley* says in his frank article published recently:

“The country has been feeling the effects for the last three years of an unhealthy condition of the railway business. If the railways had spent as much in proportion during this time for operation and additions and betterments as they did in 1907, their expenditures for these accounts would have been during this period about \$400,000,000 larger than they were. If there had been during the last three years as much new railway construction in proportion as there was in 1907, the mileage built would have been 7200 miles greater than it was, which would have involved an additional expenditure of approximately \$300,000,000. Who can doubt that the fact that the railways during these years greatly curtailed their expenditures, has been one of the main influences protracting the depression? In order to keep abreast of the growth of commerce they should have increased instead of reducing their expenditures.”

Mr. Franklin Escher pictures the unfavorable possibility of unjust restriction as follows:

“Without entering into any argument as to the right or wrong of the railroads’ demand that they be allowed to raise freight rates, it can be said that if the proposed advances are refused, very few bonds will be sold by the railroads, and very little money will be spent by them for a good while to come. Rather would a decision against the railroads almost certainly be the signal for the inauguration of a drastic retrenchment policy. Carrying out of any of the proposed improvement plans would at once be put out of the question—traffic managers’ attention, rather, would be directed toward putting into force every possible economy.

“Primarily, of course, depression in the transportation industry reacts upon the steel industry, which in turn, reacts upon half the other industries in the country. It isn’t pleasant to think about the state of things which always seem to prevail when the roads get up against it—or, to put it more elegantly, when conditions in the transportation industry become unfavorable. And it needs but little knowledge of railroad affairs to see that with things drifting along as they are now, conditions in the transportation industry are bound soon to become highly unfavorable.”

Have you ever thought that when you depreciate the railroad earnings you are depreciating the earnings of the stocks and bonds of these corporations?

When you depreciate that you naturally lessen the



Woodward





dividends and these dividends are what the orphan and the widow look to for an income and means of livelihood. Your savings are invested in the bank at 3 per cent per annum. The bank invests this money in railroad bonds or stocks paying from 4 per cent to 7 per cent; that is where the banks and similar institutions make their money. Now when you depreciate these railroad securities so they do not pay dividends, the banks cannot pay 3 per cent, and the people, the public, the masses are the sufferers. Every time you give a public utility, a railroad corporation or a similar concern a black eye, you are giving yourself a bruise somewhere on your own body. A fair and honest freight and passenger rate are what the railroads have a right to expect; they have a right to expect this the same as you and I have a right to expect fair and legitimate earnings on our investment and labor.

It is absolutely essential to the railroads to raise new capital, but they cannot sell any bonds unless they restore their credit; and they cannot restore their credit on the existing range of rates. While the gross earnings are holding up unusually well under the circumstances the net earnings are decreasing, and have already run far behind last year. Under these conditions, it is virtually impossible for them to maintain the prevailing dividends, and when they cannot do that, by what magic can they raise capital?

Can the railroads be blamed for defending themselves and their stock and bond-holders against an invasion into their private business by a set of men not thoroughly qualified to pass judgment? Are the experience and technical training that have required years and years of thought and study; to be set aside for the ungrounded, unjust conclusions of people who have only an eye on their own little corner of this world?

What utter blindness is displayed by the suggestion that rates be based upon the ability of the shipper to pay. Sift that! It would mean nothing less than presenting the railroads with the privilege of inspecting the books of every shipper they serve and raising and lowering rates according to the earnings of each individual shipper. Talk about tyranny! How can you twist such regulation of the industries and commerce of the country—a duty imposed upon the railroads—into a regulation of the railroads by the Nation?

Shortsightedness, eh? Or what would you call it?

The railroads have thought the thing over pro and con. They have figured and figured and after all each knows his own business best. They know pretty well, for instance, that rates on food supplies and absolute necessities of life should be as low as possible. They know that the increase should be made where it can best be borne.

They have juggled the figures about as heavy as can





Thillard



be handled, and have come out against all odds, about as well as any set of experts could hope.

Now the public, through the recommendations of the yellow refuse of humanity, are attempting to rob railroads of the very essence of business—the incentive to work. They feel the urge to curb the mighty accomplishers of well-nigh miraculous undertakings. They pass the limit. They fail to see that there is such a thing as over-restriction, such a thing as restriction that kills.

Thomas F. Ryan in discussing the great services to the community rendered by men of intense mental application and wonderful genius, said:

“From such services have come many of our great fortunes. If their possessors receive what amounts to a commission on the services they rendered, it is only a small part of the sum of benefits they have conferred on the community.

“Take away the opportunity for winning either money or distinction by rendering such services, and few men, as human nature is constituted, would render them.

“It is right that competition between men should be brought within constantly narrower and narrower rules of justice. This is possible without taking away the initiative which makes men do things, and seems to me the direction in which, in spite of obstacles, humanity is tending.”

The restriction that the law is placing on the railroads today is bound to be met with reaction which will cause suffering among—not the railroad officials, the high salaried men who employ their genius for the welfare of the people at large, but among the men, women and children of the country. *E. P. Ripley's* argument is logical.

“As it is the duty of railway managers to remember and to act always in accordance with the fact that the railway is a public service corporation, so it is the correlative duty of the public always to remember and act in accordance with the fact that the railway's ownership is private; that the private persons who own it have the same right to demand protection in the enjoyment of their property rights as the owners of any other private property; and that unjust attacks on their rights of property are just as immoral as attacks on the property rights of the manufacturer, the merchant, or the farmer, and will, in the long run, react just as disastrously on the welfare of the country.”

To “distinguish with accuracy” is what the railroads are anxious to do, and what they are anxious the people should do, so that they—the railroads—and the people may work together, hand-in-hand, for the common good, on the principle of *FAIR PLAY TO ALL*.



In order then to prevent "treating unequally" the interests concerned, the railroads should be permitted to adjust rates so that where one rate is too high, it can be lowered, and where another rate is too low to be consistent, it can be raised. This is the only way they can arrive at a uniform scale of rates. But the Interstate Commerce Commission grants them only the privilege of lowering rates, and prevents them—against all judicious reasoning—to raise any rates.

The fact is, the rulings of this Commission, in whose hands the people are leaving a matter vital to each individual, which Commission is controlled by the members of Congress, including the cheap politicians,—the rulings of this Commission are so inconsistent and conflicting that railway men cannot obey one part without violating another part. What are they going to do? Of course they can make the best of it, as they are trying to do, so long as the people fail to understand the situation. But when the sting is felt by the wage earner, and cries from the innocent are heard, and people rise in indignation, whom have they to blame? They cannot blame the hampered railroads. They cannot blame the Interstate Commerce Commission, who are expected to settle a question they do not seem to sift because of lack of time and experience and the pressure brought to bear upon them. They cannot blame the politicians, their own choice. They must

blame themselves, for the people through the power of the ballot, are directly responsible for conditions as they are. They elect the men they wish to represent them. They applaud and support the yellow journalists, who are hired to distort the truth and feed the human hunger for sensation. They pass up the power to control matters themselves. They shirk their duty. They lose sight of that biblical text which refers to the reaping of what is sown. The railroads lose sight of that to their sorrow. They see that. It is the peoples' turn now to wake up before it is too late. There is not much time to be lost. Look around!

While at luncheon with a very prominent manufacturer and shipper, he said to me, "Can you tell me why business seems to be so dull? Everybody is complaining of dull business." I replied that he ought to know what he evidently didn't. He said there was plenty of money in the country, that labor was working, that prices were not a bit too high, from his standpoint, that the railroads had just received a black eye in not having been granted by the Interstate Commerce Board the 10 per cent increase in freight rates they asked for, etc.

There is just the rub. It is not receiving this 10 per cent increase which meant nothing at all,—not the merest fraction of a penny to the consumer and an infinitesimal amount to the shipper,—just that 10 per





GEORGE B. HARRIS



2

cent, which meant so much to the railroads, meant the curtailment of expenses and when you curtail expenses on railroads you choke the expenditure of money to the largest body of wage earners in the United States and of others that are tributary to them. When you hurt the railroads and cripple them you are stifling commerce. The railroads are the first to be the forerunners of good times and the first sufferers in hard times and when you don't give them the money to keep the labor employed, to make the necessary improvements, necessary betterments, extensions, etc., then you are just like the human system with the functions of the main arteries of the body clogged. On the same principle the railroads stand to the commerce of the world as the actions of the heart does to the human body. Impair the functions of the heart and you weaken the vitality of the body. That is the reason there are hard times, and who feels it first? The wage earners, the masses of the people, the small merchant. Of course the big manufacturer feels it also as his sales and output are curtailed. Give the railroads a reasonable, honest living freight rate and there will be very little hard times from natural causes.

To run the business on a healthy basis, in fact to keep it alive, there must be some raise in rates. Open your window and you will hear some woman telling another that things are ever so much higher than they

used to be. "Why, there was a time when you could buy tenderloin for eight cents a pound." So there was, but in those days men were glad to get a dollar a day for their work. In these days labor is a great deal better paid, and while the people must pay more for materials and supplies, so must the railroads. Besides, the people want greater comfort, better shipping facilities; they want imposing railway stations with every convenience, surrounded by parks to beautify the city. They want all possible improvements made for the safeguard of the passengers.

The railroads are not only willing but anxious to make improvements as fast as their financial resources permit, and they are also willing to comply with every reasonable legislative regulation for the promotion of safety, but they appreciate most keenly the expense incurred and the difficulties that must be overcome in making transportation safe. It must all be paid for and the people must do their duty and permit the railroads to earn enough to make it possible to pay this great expense. If the railways cannot earn more than a "fair return" as the shippers suggest, though they themselves want to get as big a slice as they can secure, the railroads cannot earn enough to invest on improvements.

As the president of the Sante Fe, Mr. E. P. Ripley, says:



“If the public can and shall regulate railway profits, it should adopt the policy of letting the railways or at least the better managed ones, earn as much to be spent on improvements as they pay out in dividends on a reasonable stock capitalization. If, for example, a road is paying seven per cent on its stock, it ought to be allowed to earn an equal additional amount with which to make improvements. This policy which is the one followed by well-managed industrial corporations, would both allow the better managed roads to enjoy the benefits of their good management, and protect weaker roads from reductions in rates which would bankrupt them. It would also strengthen railway credit. That the railway exercises the right of eminent domain, is held to give the public a special power to regulate it; but when it goes into the money market to raise capital, the power of eminent domain gives it no better credit than that possessed by an individual corporation. If it is barely able to earn its dividends, the investor will know that if bad times come it will become unable to meet its obligations to its bond- and stock-holders, and he will not invest in its securities except at a discount proportionate to the risk taken. Therefore it is necessary for the railway in good times to earn more than its interest and reasonable dividends, not only that it may have surplus earnings to invest in improvements that will not increase its earning capacity, but also that it may be able to get on reasonable terms the

capital necessary to make extensions and improvements which will increase its earning capacity."

The following account of one piece of improvement, given by Ed. Hungerford, will give the reader some idea of what it means for a railroad to replace and reconstruct a line of track:

"When Mr. Harriman took over the Union Pacific, then in a state of physical decadence and surveyed the situation carefully, he decreed that the Great Salt Lake should no longer cause a trunkline to double on its path. He caused a line to be surveyed directly across the marshy lake from Ogden to Lucin; and when that was done he had a line—on paper—103 miles long as against 147 miles by the old line. The engineer hesitated, but Harriman urged, and they courageously began the construction of miles and miles of embankment and of trestle. Then new difficulties arose. Sink-holes developed. In a few minutes structures that had been the work of long months, silently disappeared. The engineers in charge came to Harriman. 'It is impossible,' they said, 'You must carry it through whether it is possible or not,' Harriman replied. Eventually it was carried through. When it was done the Union Pacific had not only shortened its transcontinental line forty-four miles, but it had eliminated more than fifteen hundred feet of heavy grade and thirty-one hundred nineteen degrees of curvature. An operating economy of between \$900,000 to \$1,000,000 a



A. J. Erling



year had been effected and the stockholders of the company had a good investment for the \$10,000,000 that the Lucin cutoff had cost them."

Similar reconstruction work has been added to the economy of operation by millions of dollars a year. But it takes money to do this. It takes money to employ the armies of men required for giant fills and embankments, for building tunnels through the mountains for accomplishing what engineers say in the start is impossible.

Here is another bit of Mr. Hungertord's article:

"The rebuilding of the Chicago & Alton was a clean cut affair. The seventy-pound rails were torn from the main line and sent to sidings and branch lines, eighty-pound rails replacing them. While men were tearing at the tracks, the shops were working overtime. Fifty-ton freight engines that could haul thirty cars were to give way to one-hundred and sixty-five-ton motive power, capable of picking up and drawing a hundred cars with ease. That was why the old bridge had to go—in favor of one that cost an even million dollars. And when the Alton built heavy new bridges—at dozens of other points besides over the Missouri—it built them after the new fashion, with solid rock ballasts and floor, affording additional comfort and safety to its patrons."

In improvements of this kind antiquated cars disappear before modern equipment and dilapidated

shanties are supplanted by fine permanent railroad stations; carloads and carloads of material are used, and millions of men are employed in the making of this material and in the construction work itself.

The Chicago, Milwaukee & St. Paul Railway recently built an extension, some fifteen hundred miles in length, to the Pacific Coast. They are criticised for having "watered" their stock to the extent of \$100,000,000. The deficiency had to be made up elsewhere out of this surplus stock,—the initial cost long before any money could be borrowed for the purpose of extension had to be paid. It takes money to get money, it takes money to get things, it takes money to get a country ready to receive a road, it takes money to get a state in the frame of mind where it sees the benefit of a road. The Chicago, Milwaukee and St. Paul Railroad can honestly claim that there is no water in their stock because the land and the land values created by building this road are worth more than the \$223,000,000. It is a foolish cry that the land of railroad companies becomes so enhanced by the railroad running. Of course. What gave it increased value? Building the railroad. What enhanced the value of all land in this country? Building railroads, so that farmers, cattle raisers, manufacturers and others could get the benefit of going to market and selling their products. If building the St. Paul Railroad through



F. O. MELCHOR



entirely new territory where at the present time there is but very little traffic, and building this railroad creates traffic, because it creates immigration and industry, then the railroad is entitled to all the legitimate profits it can make. But every other person who owns land in that territory will share equally with the railroad and will not have contributed one dollar towards increasing the value.

Compare the following figures and note the great increase in mileage of the United States Railways in twenty years. How does it compare with the other countries of Europe?

	1889	1909
Great Britain.....	19,943	23,280
Canada	12,585	24,731
France	21,899	29,364
Germany	24,845	36,235
Russia in Europe	17,534	35,347
United States	160,544	236,422

MR. FRANK TRUMBULL, Chairman of the Chesapeake and Ohio Railway says:

"I think there are two sides to this question. Undoubtedly a great many people entertain the notion that the public is in some way or other taxed to pay dividends on 'watered' stock. In the absence of a fair valuation of railroad properties, it is impossible for anyone to speak dogmatically, but I think it is generally admitted even by po-

litical leaders that the railways of this country as a whole are worth the aggregate of their capital issues,—whatever individual transgressions there may have been. In this connection, some comparisons with other countries are very interesting. I quote as follows from a book entitled, “Railway Statistics for the year ended June 30, 1908,” prepared by Mr. Slason Thompson, of Chicago:

Average capitalization per mile in Great Britain		\$272,291
Average capitalization per mile in France		126,350
Average capitalization per mile in Germany		107,272
Average capitalization per mile in United States of America.....		58,664

“In comparing with Great Britain it is fair to say that their roads include a great deal of line which has four tracks—a much larger percentage than ours—and they also serve very large cities situated very near to each other. Their situation is very congested and land in cities is expensive, which, of course, increases the average cost. On the other hand, their costs for labor and material are, as you know, much lower than ours.”

In 1910 the railways of the United States carried 952,325,000 passengers an average distance of 35.65 miles, being the equivalent of 33,949,936,000 passengers carried one mile. This public service was per-

formed at the rate of 1.871 cents per passenger mile—the lowest average on record. The figures show that while the service for the year increased 14.3 per cent over 1909 the revenues therefrom increased only 9.7 per cent.

During the year the railways carried 1,760,103,000 tons of freight an average of 146 miles per ton, which was equivalent to carrying 255,528,643,000 tons one mile. This exceeds the largest previous record (1909) by nearly 19,000,000,000 ton miles. This public service was performed at the rate of 7.58 mills per ton mile against 7.63 in 1909.

The service increased 14.4 per cent over 1909 and the revenues therefrom only 12.6 per cent.

As the receipts show an increase in the proportion of high class freight, especially manufacturers, a *decrease* in average receipts shows the effect of continuous rate reductions.

Slason Thompson says:

“In the twenty-two years since the figures have been officially compiled, these average receipts have decreased 2.46 mills per ton carried one mile. Applied to the tonnage of 1910 this amounted to the enormous sum of \$615,928,000 which in one year the shippers and consignees pocketed. *Not one cent of this vast sum remitted to shippers in freight charges ever reached the consumers, for whose benefit all regulation of railways is presumably undertaken.*”

Statistics show that in the year 1883 the average receipts in the United States that year were 1.21 cents per ton mile, which was lower than any European rate then, but not so much lower as the present American rate is below the *lowest* European rate *now*.

Let us take one European country and compare it with the United States. Let us take the latest available statistics giving accurate inside figures, published in a railroad bulletin in Washington. Let me quote it as given:

“The railways of the United States have been divided by the Interstate Commerce Commission into ten geographical groups. Group 11, including approximately the states of New York, Pennsylvania, New Jersey, Delaware and Maryland, in the densest traffic region in the United States, is and for this reason has been adopted for comparison with Prussia. While the latest figures available have been employed it should be kept in mind that they cover only the one year, 1908. The statistics of another year might give somewhat different results.

“Although the area of Group 11 in the United States is only 78 per cent of that of Prussia-Hesse, it has 109 per cent more miles in proportion to population, and 34 per cent more in proportion to area. Prussia’s capitalization per mile is almost the same as the net capitalization of Group 11, that is, the capitalization after the deductions



of duplications resulting from inter-railway holdings of stock. This net figure could not be arrived at directly but was determined by reducing the gross capitalization in the same ratio as the gross is to the net for the United States as a whole. This net figure is necessary for accurate comparison, for under the system of state ownership prevailing in Prussia, there is no duplication of capitalization in that country. Revenues and expenses per mile are strikingly similar in the two countries.

“Prussia has more locomotives at a higher value per locomotive. These locomotives run more miles per locomotive and per mile of line, which is in part accounted for by the smaller train-loads, the train-load in Prussia averaging about 41 per cent of that of Group 11. Prussia has fewer cars in the aggregate. Her freight cars have only about 43 per cent of the average capacity of those of Group 11, yet their value is higher. The average seating capacity of a passenger car is 14 per cent greater in Prussia. This is however largely a question of loading.

“Prussian passenger density—passenger miles per mile of line—is 106 per cent greater than that of Group 11, which might naturally be expected from the fact that Prussia’s density of population is 66 per cent greater and her miles of line in proportion to population are 52 per cent less. The revenue per passenger mile in Prussia is 47 per cent less than in Group 11. The average

length of journey per passenger is only two-thirds of that in Group 11, but the number of trips per inhabitant is over 50 per cent more. The number of passenger miles per inhabitant is somewhat larger in Group 11.

"Although population density is so much greater in Prussia, freight density is 150 per cent greater in Group 11, while the revenue per ton mile on Prussian coal traffic is not only greater than the average in all traffic in Group 11 but is greater than the average revenue per ton mile in all rail traffic throughout the United States. The average haul is greater in Group 11.

"The most striking contrast is in wages of employees, both when expressed in money and also when expressed in the amount of transportation purchasable with a day's wages. Passenger miles rather than ton miles have been used in this comparison, because the former service is more nearly comparable in these countries, whereas ton miles vary with the nature of the traffic. On the ton mile basis, the power to purchase transportation with one day's wage would be 63 in Prussia and 339 in Group 11. Although 76 cents per day is an extraordinarily low wage, it may be observed that in the Prussian operation accounts that the aggregate devoted to labor, including salaries, wages, pensions, sick and accident benefits and the like, averages only 99.7 cents per employee."

I will give just a few of the latest figures for railway labor in Germany, the United Kingdom, Austria,



St. Michael



Hungary, Russia, France, Italy and Switzerland, computed with the rest of Europe for comparison with our own country;

	Europe	United States
Railway mileage	201,619	239,652
Number of employees	3,871,210	1,754,400
Compensation	1,036,385,273	1,172,181,000
Average pay per year	268	668

The fact that "with more than double the number of employees the railways of Europe and Siberia pay a hundred and thirty-five million dollars less to their employees than do the railways of the United States."

In the face of these figures is the statement that our wages are the highest and our rates the lowest in the world, an idle song, a lame excuse? Does not the difference stand out boldly, indisputably? Can you stand quietly by with your eyes toward the heavens and say the railroads are robbers? That because they are railroads they are in possession of some magic by which they can coin dollars out of the air, or perhaps find them in the excavations while improving a road?

It is deplorable that there is the slightest possibility for accidents, that accidents do happen, but do they happen in great numbers? If I may refer to records again, it will be seen that in 1910 no less than 254

roads, operating 85,053 miles of line, in every section of the Union, carried 9,273,441,000 passengers one mile without a single fatality to a passenger in a train accident. This is the more remarkable from the fact that these roads carried more than one-third of the enormous freight traffic of the country. Thirteen other roads, operating 22,647 miles of line, had only one passenger each killed in a train accident during the year, although they carried 2,492,598,000 passengers one mile. Records show that eleven roads with a mileage of 5,171 miles have been operated seven years without a single fatality to a passenger in a train accident; 64 roads with a mileage of 18,875 have a like immunity for six years, and 100 roads operating 22,218 miles—almost equal to that of the United Kingdom,—have had a like immunity for five years.

Slason Thompson who has thoroughly investigated the matter of accidents says:

‘It is an unwelcome thought that the fundamental responsibility for the relatively large number of collisions in this country is chargeable to the railway officers and employees; not to them because they are more careless or less sensible of their responsibilities than men in other vocations, for that cannot be truthfully said, but simply because they possess the qualities, mental or temperamental, which are the cause of these deplorable results, and which are symptomatic of characteris-

tics common to all who have been reared in a new and rapidly developing country. But sober reflection leads inevitably to the conclusion that, outside of the army and navy, the American is not reared with that discipline which becomes part of the man and governs his actions mechanically, as it were, rather than as the result of reasoning. Such discipline leads to action as one's first duty without question or reason, and the sense of duty is the one predominating quality which influences the man's every action unconsciously and unfailingly. This conclusion is brought home all the more convincingly when one reflects that **NOWHERE IN THE WORLD** have appliances for safeguarding railway transportation been so highly developed as in this country, notwithstanding which nowhere in the world is there a greater proportionate number of accidents of the kind which such advance in the art should prevent. The automatic stop, therefore, while it might be unnecessary under different social conditions, may be expected to add to safety in train operation under the conditions which do exist and must continue to exist in this country until we shall come to appreciate and realize all that may be accomplished by discipline of the right sort. But more discipline will not suffice alone. There must be with it the spirit which prompts obedience for the pleasure of being approved by one's own conscience."

However, it is the aim and earnest desire of the railroads to install every obtainable appliance which might prevent accidents, and they will do this just as soon as their income will permit.

There are also a great many roads waiting for reconstruction and many improvements to be made, which will require large sums of money, and the railroads are anxious to go ahead with this work, because it means a great decrease in the cost of operation. Lessening the cost of operation means lessening the expenses and this means increased dividends to stockholders and it means greater security to the investor.

It is the demand for non-earning improvements that make investments less attractive and financing more difficult, and a decrease of \$3,500,000 in one year (from February 1910 to February 1911 inclusively), which is equivalent to \$29 per mile of 3.2 per cent, is not going to encourage very many investors. Would you invest under circumstances?

Mr. Frank Trumbull says the railroads are on a sliding scale downward. He says:

“The last report of our Interstate Commerce Commission—the figures are in yesterday’s evening papers—showed only about six per cent earned upon all of our railroad capital outstanding; that is to say, in order to be fair about it, we should deduct the capital issues of those companies which are in the hands of other railroad



W. L. PARKS



companies, thereby reducing the divisor, which, of course, increases the quotient. For the year ended June 30, 1910, the quotient—that is, the average return—seems to have been about six per cent; and in the fiscal year now about half gone we are on a sliding scale downward again.

“I think that, as a whole, the railroads are entitled to a minimum of six per cent, for readiness to serve the public. That is, a readiness to serve instantly ninety-two millions of people, and that they should earn twice that in order to afford a margin of security for investors against periodical depressions and panics, and to provide improvements and betterments, particularly those which are unproductive in themselves, like handsome stations which gratify local pride and which usually stimulate local pride at other places but which, nevertheless, are for the public convenience and comfort. Please understand that the reference I have just made to the return of six per cent, during the last fiscal year is to the amount earned and not the amount paid in dividends. For the year ended June 30, 1909, the average amount of dividends paid on all of the capital stock in the hands of the public was only about 4.46 per cent, and for the same year 36 per cent of all the capital stock of the United States railroads paid no dividends at all. If that stock were all ‘water’ it is difficult to see how anyone has been injured or unduly taxed.”

There is one point the people fail to see and that is, that, besides spending the money for improvements, it would add somewhat to the comfort of the railroads—to the stock—and bond-holders and employees, if the rates were such that a sum could be set aside for “a rainy day,” for a time of panic, so that the current expenses could be paid and the business run on the regular sound, legitimate basis; so that the little handful of financiers on Wall Street would not have to be appealed to for money to keep the road from sinking under. Every time we have had a panic this has been resorted to and each time the financiers have secured a tighter clutch on the property of the stock and bond-holders, until the railroad officials have lost the mastery of the railroads, and have come under the control of a destiny stronger than theirs—a City National Bank, of giant power, J. P. Morgan, Rockefeller, etc., etc. It is these financial kings that have secured the control and management of the railroads, until the latter are pretty much in the same position as the wage-earner, who through desperation, resorted to the loan sharks, and now finds one piece of his property after another transferred into their hands.

Control of business has passed from the hands of a “loose and inefficient industrial democracy into the hands of a keen and highly trained autocracy.” It is from the hands of the kings of money that the rail-



W. C. BROWN

51
93

roads are determined to wrestle their securities. And they *can* do this if the stockholders, those thousands of men and women who have invested their savings in railroad stocks, will *combine* and elect a board of directors that will work for the good of the investors and consequently for the good of all. It is the *proxies* to vote that are given these financial manipulators by the small stockholders, that give them the power—not the capital—just the power.

A great deal of weakness in the railroads is due to lack of organization. The shippers are organized. In every city, village and even hamlet there are business men's associations, boards of trade, commercial clubs, chambers of commerce, etc., whose sole duty is to meet and have a few leading spirits,—who are infatuated with the sound of their own voice, have an opportunity to make long and great talks and then always end up by abusing the power of the railroads and stating that their business is throttled, their income is lessened, that competition is strangled by the railroads, that the consumer pays too much for his commodities, caused by the excessive freight rates, etc.

Frank Trumbull in commenting on the harmony existing in the railway system of France, attributes this to the successful grouping of the railroads according to their geographical territories. He says:

“It seems to me to illustrate what might be done in this country if the railroads could be divided into groups. If, for example, the Pennsylvania Railroad could be permitted to buy all the railroads in its territory; the Union Pacific all the roads in its territory; the Great Northern in its territory, and so on. Of course, a group in New England would require very different treatment from a group in Texas, but the French situation seems to me to be of value as an illustration of what we are not. We have a Sherman Anti-Trust Law under which it would not be possible to do what they have done in France. This law entails an enormous economic waste in the matter of duplication of train service and otherwise, but our country evidently prefers to have the law and pay the price. So then, viewing the subject practically as we must, we seem to be relegated, for the present, at least, to dependence solely upon private capital as an employe of the people, and I suppose we ought not to be surprised if that employe, like other employes, shall desire to have something to say about the compensation and the conditions under which it shall perform its work.”

The greatest commercial vampires in modern times, the Express Companies, have been permitted, through passive favor of the Government, to spread their fangs into the business of the United States Government, as it has done in the business of the railroads. And this they have been permitted to do without interference.

They have had a clean sweep from their very birth, when in competition to the Government, they carried letters for six cents while the regular mail required twenty-five cents. As soon as they found the Post-Office was profiting by issuing money orders they began their system of express money orders. The last official report shows that in one year (June, 1908 to June, 1909) they issued nearly twelve million money orders, making a gross profit of \$654,540, which should have gone to the Federal Government. Through their methods of C. O. D. checks, they made a profit during this period of \$908,091. They now charge the same price for issuing the C. O. D. check, and sending it by mail, as they did in former years when they assumed the risk of handling the money en route, and paying the railroad over which it was sent a specified portion of the profit.

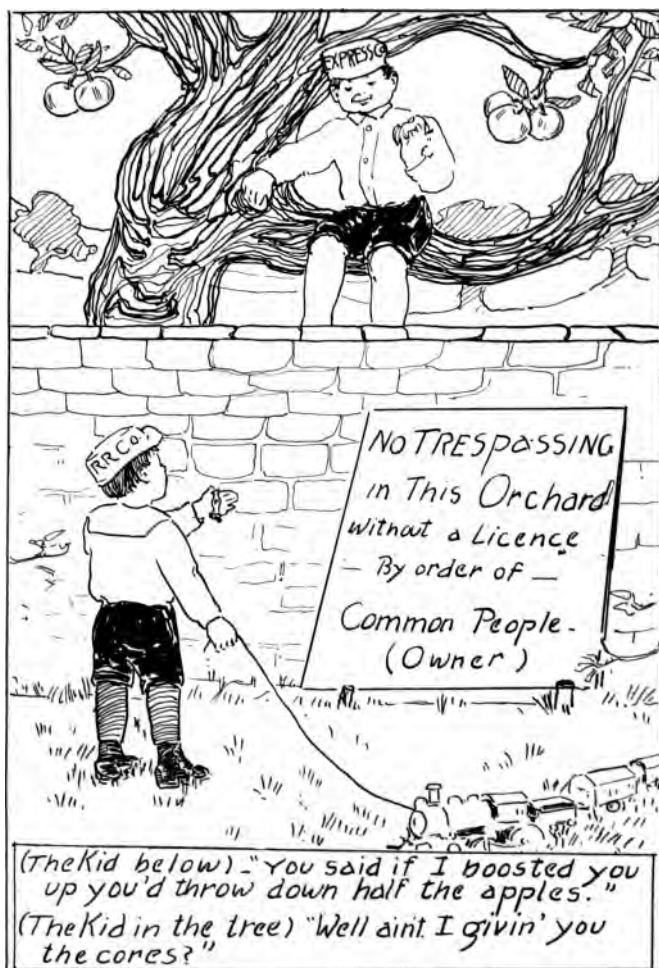
The charges they extort from the people for handling goods are exorbitant, far beyond any scale of reason. Their prices as a rule range about one hundred and fifty per cent above the existing freight rates on packages which should be sent by freight, and the little parcels, which should be sent by parcels post and cost above ten cents in stamps, are now being sent for many times that amount. As Will Payne so pointedly puts it:

“Every now and then I have a box of typewriter paper sent over from Chicago—a hundred and thirty miles. The paper costs a dollar. The express charge is invariably forty cents. The package is not delivered to me. I have to go down to the village express office to get it. Thereby, through the passive favor of the Government, I have been contributing to the creation of one or two hundred million dollars of as fine private capital as there is in the country.

“For twenty-six cents I can have a package twenty times as heavy as the box of paper and twenty times as bulky sent over from Chicago. True, it will come by freight, but usually it will be only twenty-four hours at the most behind the express package and it will arrive in equally good condition. I cannot have express matter sent by freight, however, though it would serve my convenience as well and suit my pocketbook better. The express companies have contracts with the railroad companies which forbid it. In England or Germany I could have my box of paper carried the same distance for about ten cents. It would go by mail there; but the post office here cannot carry express matter any more than the railroads can. The law forbids it.

“The express business is peculiarly an American Institution. Elsewhere the same business is done by the postoffice or by fast freight.”

C. M. Keys says politicians, who are stockholders in



(The Kid below) "You said if I boosted you up you'd throw down half the apples."
(The Kid in the tree) "Well aint I givin' you the cores?"

Express Companies, prevent the establishment of a parcel post. He says:

“Sane and forceful writers declare that a parcel post, an established institution in forty-three other countries, is denied to the people of the United States because every effort to put it through congress has been blocked by the machinations of politicians representing the vested express interests of the country. New York’s former senators, Platt and Depew, were respectively president of the United States Express Company and Chairman of the Board of the New York Central Railroad, the biggest and most influential stockholder of the American Express Company. Both were strong opponents to the parcel post.

“Clearly the tendency toward the reduction of cost of express service, if it is carried out fairly, will distribute most of the reduction where it belongs, namely, on the long-haul business. The one obvious thing is that it is time somebody looked into express rates.”

Now, the express companies are owned by a few people—a **CHOSEN FEW**—and are absolutely distinct from the railroads, though upon the latter the people have heaped the mis-deeds of the former, classing them as one and the same thing.

THEY ARE NOT!

The public, as a whole, does not own stock and has no voice in the managing of the express business, ex-

cept such as they choose to take through the Federal Government. They can abolish this interference with Governmental business through their votes, and through the stock-holders the railroads can rid themselves of these barnacles with their slimy tariff sheets that are depleting the legitimate revenues that should go to the railroads and are gradually swallowing up some of the enterprises of this country.

Ownership in coal mines is quite another matter. While the stock is principally owned by railroad stock owners, and the stock-holders, after all, are the people, these are separate corporations, and could only prosper to the extent that they have on account of their railroad affiliations. The railroads are justified in having coal companies of their own in order to supply the railroads with coal and in this manner lessen the cost of operation, which allows for payment of greater dividends. They should not be in the mercantile or manufacturing business. They should not be competitors of the very people whose merchandise or manufactured product they haul. For their own honor they should not permit themselves to be placed in the position where they can be criticised. No matter how white and clean their actions might be, it is open to criticism of the men giving themselves the best of it. But, simply because a man happens to be working for a railroad company, should not prohibit him from being

a stockholder in a coal or lumber company because it happens to be located on his line. The railroads have a perfect right to own coal mines for their own fuel supply just as they have a right to own quarries and gravel pits for their own ballast and right of way. They have a right to own anything that is for their own consumption but not where they compete with the public.

The people have recently been played with on another point. Somewhere off in one corner of the United States a voice rose, loud and clear, and spoke a word, a word heavily charged, vibrating through the country, until now it is in everybody's mouth,—in every magazine, in every newspaper, applied to every subject, to great and small, to the significant and the insignificant. It was spoken by a man who does not ask pay for his talk, but asks only for the privilege of talking, for an opportunity to be heard, for an opportunity to make a sweeping sensation, and by way of reward is happy if he can inject in the people a mental germ, which quickens the imagination, grows wings of hilarity and produces pleasing illusions. He speaks in figures, says "a million a day," then hurls out the word of wonder—"EFFICIENCY." "A million a day" is not big enough—"three hundred million a year" sounds better. He steps in while the iron is hot and tags this thing to the railroads. So here again

the railroads step forward and meet the charge. They are told to look in. They do. And as a little result of this introspection, *Mr. Frank Trumbull* submits this:

“If you should write a letter to an American railroad official, his corporation will have to haul a ton of freight—two thousand pounds of average freight—coal, ore, silks, ostrich feathers, and everything—for more than two and one-half miles to get money enough to buy a postage stamp to send you an answer. Out of that kind of service the corporation must pay its employees, buy its materials, pay its rents and taxes, interest on its debt, and make its living. Can you beat it? Can YOU beat it, Mr. Lawyer, Mr. Doctor, Mr. Merchant, Mr. Banker, Mr. Farmer?”

Then he asks:

“Is there a maximum efficiency in the practice of law? If there is, why are so many contracts and wills taken into court? Why is any court decision ever reversed? Every lawsuit that is won is also lost. If there were maximum efficiency in banking, would there ever be any bank failures like those, for example, we are now reading about from day to day? Would any merchants ever fail? Would not every farmer get a blue ribbon? If there is maximum efficiency in the practice of medicine, why are there so many undertakers? If it took the Creator six hundred thousand years to make a bed of coal perhaps the



FRANK TRUMBULL



perfect railroad official is yet to be born. Perhaps other perfect people will be born at the same time."

What has become of the six billion dollars which Congress appropriated during the six years Mr. Tawney served as Chairman of the Committee on Appropriations of the House? With the exceptions of postal receipts and a few million dollars which were derived from the corporation tax, this sum has passed from the pockets of the people to the Treasury of the United States in an indirect manner. There is no denying the people paid it, but what individual knows what he paid and when? Suppose the public were to ask for the expenditure of this \$6,000,000,000. Suppose they were to see the people who were getting some of this money and not working for it but voting or colonizing a few voters for their compensation and then if they would realize that every time there was an extra expenditure in the city, state or country that expenditure naturally increased their taxes and the taxes came out of their own pockets,—don't you think it would be wise if they did this? Then, when making comparisons, they would commence to realize that railroad corporations and big industrial enterprises are run on a business basis, and their expenditure is checked and economy practiced wherever possible, and where it does not interfere with good service. And wouldn't it be

wise if this public, which is being worked up to such a great frenzy by these yellow journalists, these yellow magazines and yellow writers, who get their inspiration from the muck heaps of diseased brains,—wouldn't it be wise if this public would realize these terrible expenditures, of which nearly 50 per cent could be saved if a business administration would be applied to government work? Then some of this public, which are now swallowing bait, hook and all, of these articles and talks made by these nefarious writers and so-called public servants, then they would realize, there is no doubt, if they made an investigation, that there is not a cleaner managed public or semi-public enterprise in the world than the administration of railroad enterprises and of large industrial concerns.

Why should there be so great deficiency in the postal department for instance? There must be a leak somewhere. Why should it be suggested that the rate on magazines be raised, when the balance of the second-class matter should be exempt? Why should not newspapers and many other classes of periodicals be included? And why should the rate be dependent upon the amount of advertising contained in a magazine? Think of the additional clerical work required to keep tab on the number of advertising pages of each magazine every month! Ah, what a temptation for discrimination! We do not happen to have a law which

defines "periodicals" and "newspapers," so the Postmaster General, could, at his pleasure, place a publication in the newspaper classification, making it exempt from the additional rate, or classify it as a periodical, subjecting it to the new rate. And when the Postmaster General happened to be as crooked a politician as Hitchcock, there would not be an inch of space left for a flag of "Efficiency." Hitchcock could not sleep in a roundhouse. He has lived and eaten of the public trough all his lifetime.

Wilmer Atkinson proves conclusively by postal statistics from 1860 to 1910, published in the April issue of "The Fra," that the government never lost a dollar in transporting second class mail, but, on the contrary, it has proved to be by far the most profitable of any class. He says:

"In the whole history of the Post-office Department, neither an increase of second-class matter nor a reduction of the postage-rate, has ever increased deficits, no matter what burdens have been piled upon the service in the way of an extension of city delivery, the establishment of rural free delivery, the multiplication in number and increase of pay of officials, increase of government free matter, increase of railroad and other transportation charges, not an increase in the obstructible energies of postal officials directed against the publishing business.

"It has come to be generally understood and conceded that second-class matter originates mail of the other classes. The Postal Commission testifies that, 'No sane man will deny that second-class matter is the immediate cause of great quantities of first-class matter.' Mr. Madden and Mr. Lawshe said the same thing. Meyer said that 'It is known that second-class matter is instrumental in originating a large amount of other classes of mail matter.' To what extent this is so cannot be determined with exactitude, but the official figures given throw a flood of light on the subject."

INCREASE IN SECOND-CLASS MATTER.

"There are four classes of (paid) mail matter: first, second, third and fourth. The first comprises letters and postals; the second, newspapers and periodicals; the third, circulars, and the fourth, merchandise.

"How, of themselves, could the first third and fourth classes develop faster than the growth of population? Does not their extension depend upon the business energy and the intellectual activity of the people, and, in turn, do not these depend very largely upon the circulation of the Public Press?

"It does not seem unreasonable to conclude that of the \$202,064,887.96 of stamps sold for the first, third and fourth classes of mail matter, last year, \$150,000,000 of it originated immediately, remotely and cumulatively from the second class.



Franklin D. Roosevelt



How else then in some such way can we account for the prodigious development of the postal business, which has outrun population sixfold or more?"

The matter is the speculation of politicians. It is an inspiration from the fertile brain of the daily newspapers, who are seeing their power weakened and circulation lessened by the inroads made by the magazines.

Did you ever think what a difference there was in the attitude of newspaper and magazines previous to the anti-pass law, and at the present time? I mean before the Hepburn Bill, making it criminal to issue inter-state transportation except to absolute employees of a railroad company.

If you will compare the newspapers and the magazines and their writings of those days and of the present days, you will notice quite a difference in the tone, in the class of articles and in the attacks on railroads.

Heaven forbid that great newspapers should prostitute their genius and power for passes, but somehow or other it does seem to the man up a tree that since the railroads have been compelled to cut out their transportations, and also the law being so construed that they cannot give mileage and other books for advertising, and the railroads having to economize on their cash advertising,—it does seem that somehow or

other there is quite a difference in the tone and the righteous indignation expressed against the railroads.

It is true, the railroads fell an easy victim to the public, and bought favors plentifully with not alone trip passes but with mileage books and even annuals. This is where the railroads made a mistake. They should have said, "If you have anything against us, publish it; we want to let the world know everything we are doing."

Publishers, to whom I have personally talked, denied that the matter of passes made any difference to them, and their excuse was that during that time the railroads were not as bad as they are now. What a silly excuse! If the railroads ever were bad (and I have not denied that they could be quite naughty at times as far as being compelled to give rebates and free transportation to publishers and shippers) they certainly are almost good, and considerably better now.

Does anyone think that the railroads voluntarily would give up this good money that transportation meant to shippers? It was simply the survival of the fittest,—go out and get the business. One road gave this and one road gave that, until the shipper that shipped one case of eggs every month, felt very much chagrined if, in the summer time, he could not get a trip pass for himself and family to Yellowstone Park, the Gulf of Mexico or California.



"Go West, young man, go West!"



Let us be fair. Let us give everyone *FAIR PLAY*. Show the railroads their faults. Put them in the pillory, if they really do something deserving of that, but, for Heaven's sake, be honest, and give them the same benefit of the doubt as to anyone else. Simply because it seems to be the fad to abuse the railroads and railroad officers, does not make it right, and when the newspapers and publications abuse the railroads, they are abusing the mass of the people, because the mass of the people own the railroads. The profits of the railroads mean profits to them. Perhaps some day the railroads will be able to give the public a great deal of advertising and pay for it in mileage books and other transportation, and perhaps the day of yellow journalism will pass by, but, in the meanwhile, great publications, great men connected with them, honest men associated with them are false to their trust, false to themselves and false to their readers by the tactics pursued. It is universally known that newspapers are not conducted through their editorial departments but through their counting rooms. This is what counts, —money, circulation, advertising.

That is the God that is worshipped.

The late District Attorney Jerome, of New York, throws a little light on the tactics of newspapers in the following accounts:

“I met a gentleman of large experience on ‘yellow’—now he’s on a magazine—what a sad

transit! He told me they had an editorial conference and that they talked for two hours and hadn't been able to find anything bad enough to expose. Then they woke up and thought perhaps there was some good left, and determined to build up their magazine on that basis.

"Now, gentlemen, much of this is due to newspapers, and again, much of it is not. One or two stand as vultures that seek their carrion, seek it with the sense of recognition. Others try to be clean and right. Standing before these others, however, is the financial success of these papers. The people demand hot stuff at so much per, and their needs are met by these publications. These papers play in the guise of leading public opinion. I have no words but words of praise for honest papers.

"In our days, criticism of public officers is right—stinging criticism, if it be just.

"I was investigating a certain large corporation of this city. The city editor of a paper came to me with an article in galley proof about it. The statements in the article were false. I told him the report of my accountants, though not yet finished, showed that. Now, it isn't a rule for city editors to visit public officials. Public officials sometimes go to them with their hat in their hand. I said it was an unqualified falsehood, so far as my investigation went. His reply was, they were going to publish it anyhow.

"There was a man in those days, since become

borough president, a yellow dog without courage. A certain man on this newspaper wrote to him: 'There is going to be something doing.' He wrote: 'Go short such and such stock.' This borough president, I am informed, did so for the account of this newspaper's men. Then, in a few days, an article was published. Then, in a day or two, the borough president, to ingratiate himself with the strong financial elements concerned, turned over to them the letter from the city editor. This financier had it photographed. And then, gentlemen, a certain man went to this financial gentleman and said: 'If you give us the photograph and plate we will deal fairly with you in the future.' And this capitalist gave up the letter. From that day to this the paper has vied with the other 'yellow' in exploiting him in head lines, banging it as hard as it could.

"Gentlemen, these are facts. Let me give you some more. Another time a certain great newspaper goes to a certain lawyer. 'You represent insurance grafters,' it said. 'Turn up something on the district attorney, now that he has interests in Wall Street, and we will say something nice in the paper.' It happened that the man was a gentleman, but a shadow was cast on the whole profession.

"Are we going to resort to government of newspapers, for news by newspapers? If so, public officials will soon lose their nerve. They forget they were put in office to use their judgment and

not the judgment of editors. Conceive how little the educated man thinks when the editor writes an editorial addressed to the district attorney, appealing to him on his reputation. The district attorney that is moved by this commits a crime."

Look at the fight that a certain clique of newspapers, headed by one big daily, have made on a man in the Senate. Whether clean or unclean, whether right or wrong, why fight on this one man when these newspapers know, if they know anything at all, that it takes money, promises of jobs, all kinds of influence, and things of that kind, to be elected to any kind of a position, even as Dog Catcher in a village community? Have you noticed that, in the last number of elections, the newspapers that were for the candidates, the great big newspapers that gave pages every day for the candidates,—these were the candidates that were not elected? The people would be better served if the newspapers would confine themselves to just chronicling the news items, and not try to be the general thinker for everybody. It is this power to dictate that is rapidly driving the average publisher on the rocks and shoals that mean despair and shipwreck.

LATE DISTRICT ATTORNEY JEROME SAYS HYSTERIA RULES UNITED STATES.

"Public opinion goes hither and thither like a ship, but in the long course of time it is sane and



Harold Clark





sound and will make its port; but it lies on you to see to it that its tacks are no longer than they ought to be. It is wasted power, that sentiment in a community that goes up one trail and back again to another.

"Today, all through this nation, what do we find? A case of absolute hysteria.

"Gentlemen, no nation ever built its national life on the warp and woof of perjury, tort and larceny. Yet today you would think this great country we love is settling its course on this foundation."

"As ye sow, so shall ye reap."

Can this be said too often? Why is it we are so blind? What did we plant to reap the trusts?—Protective Tariff! So anxious were we to have all the benefit of our own labor, to give no one but the people of the United States a corner on work and the dollars we received in reward, that we built for ourselves the wall of high tariff and said, "Let no foreign merchant enter in." So dollars grew in number and shifted about, accumulating in enormous piles in some few places, scattering scantily along the way. The piles became the trusts.

The people see the piles, but they cannot see the cause. They cannot see that when duty on any article which our workingmen could weave from the raw material, was raised, say a cent a pound, the profit of the United States manufacturer was increased in some

cases a hundred per cent a year; that such increase in profit meant accumulated power; that while figures grew in millions, manufacturers decreased in numbers; that while the workingmen of our country paid enormous prices for the necessities of life, not to speak of luxuries, these same articles were sold to foreign countries for a less sum than local foreign manufacturers could accept. They do not see that all this while they have been paying an indirect tax on almost every article they bought; that politicians have been growing fat and wealthy by holding up the tariff, then threatening to abolish it, only to hold it up again for an added sum. Why is it that nearly every man in the Senate is a millionaire or a multi-millionaire? Why this cry against Lorimer? Have politics ever been so pure and white that just because a man was good, his reward has been the *United States Senate*?

What do you suppose would happen if our railroads were under Governmental Ownership? Instead of being run and regulated by scientific men with wonderful brains, who have spent every human effort to arrive at efficiency, who have spent their entire lives studying the gigantic problems which arise in engineering, who have been instrumental to the most awe-inspiring accomplishments, instead of such men sacrificing everything else in life to accomplish the glorious results which have permitted the people of the United States



to enjoy the richness and bounty of their country, we would have a pull at the reins in this direction by this set of politicians and a pull at the reins in that direction by that set of politicians,—pull in every direction as pockets were filled. We never could boast of efficiency when it came to politicians. We all know of the tremendous waste in time, material and money invested in any Government undertaking.

And as for rates,—well, Hitchcock's suggestion as to postal rates is a pretty fair example of what might be expected. Weakness on the part of the Government so far as the express rates are concerned is another indication of Governmental "efficiency."

A comparison with other countries, those who have Governmental Ownership and those who have not, will show that the United States is not as bad off,—at least they receive the benefit of high wages and low rates. Richard Washburn Child in a recent issue of *Everybody's Magazine* summed it up in this manner:

"England:

Shockingly high capitalization per mile. No end of fraud—scandal in purchasing of rights of way by managers in collusion with owners of purchased property. Rates far higher than ours. Discrimination and rebates. Legislation unsuccessful and expensive. Periodical, stupid agitation. A garden spot for exposures. A situation a thousand times worse than ours, except as to safety.

“Belgium:

State ownership. Rates about the same as here on freight. Extremely low on passengers. Clean record as to fraud and favoritism. Pay a fair return on cost. But, of course, our own problem is different. It is vastly larger and vastly more complicated. Our fitness for government administration is not so well developed.

“Russia:

Largely government ownership. Fraud. General public deprived of benefits. Still a part of despotism.

“Italy:

Government ownership failed. There were political frauds and rows. Sold out to private interests. A subsequent history of poor service, agitation, discrimination. Then four or five years ago the government, under pressure of public opinion, bought back, even though expecting to suffer a deficit on operation. History worse than our own.

“Switzerland:

Government ownership began in 1903, after a decade of agitation. Comparison as to service and rates difficult, owing to light density of traffic and mountainous territory. Rates much higher than ours.

“Austria:

Part government ownership. Paternalistic management, i. e., passenger rates made to encourage people to travel, go to school, live in the sub-

urbs, etc. Ownership was sold out to private management in 1849 and bought back in part in 1877 and since. Zone system of passenger rates. Comparison of freight rates with our own is difficult."

So you see, considering the service, rates and development of our resources by our railroads, the United States is no less fortunate than the average of other countries.

Mr. Childs says further:

"No one is left to defend an absence of regulation. The past history of our unregulated roads leads men by the nose to the belief that public control must be exercised. The old-fashioned stock-watering, enormous profits, monopoly, favoritism to big shippers, trust-mothering, and the ghosts of men and policies long dead have been paraded before an unfortunate reading public in ghastly array—with a trail of smell behind. Surely, it is not the ancient wrong upon which sensible men base their insistent demand for new measures. The mass of antiquated railway scandal will not be used here for the purpose of making people lay aside the magazine to say: 'Well, I'm dumfounded.' A dumfounded man is a poor thinker. We have our eyes, not on the wrong way of yesterday, but upon the right way of tomorrow. Even the railway interests believe now in regulation. Such a belief rests on the simple ground that economic laws have failed,

and will fail, to check modern monopolies. No policy leads straighter to ultimate revolution and the ruin of railway investments than that which resists the evolution of public control."

An extract from Judge Otis's report in the Minnesota Rate case will prove interesting:

"Economy of management. It has been urged before the Master with reference to the lines of railway under consideration that the evidence discloses want of economical management in that limited portions of the business were unremunerative and not infrequently resulted in loss.

"If the convenience and demands of the public were disregarded, greater economy could doubtless be exercised. Full cars and longer trains at fewer intervals would be a great saving of cost, and to this end produce could be stored in elevators awaiting shipment under the most economical conditions. Needless to say that this would result in great public inconvenience and dissatisfaction, and recourse to such methods is unthinkable. The carrier must properly yield to public demand and recoup for loss on other portions of its business.

"It is also urged that as to some of the roads surplus lands and equipment are disclosed much beyond present needs. But it is good business sense to anticipate and prepare for the requirements of the near future. Readiness to serve is of the highest importance to those requiring

service, and an efficient management will, if practicable, take advantage of the markets and buy what will soon be needed when it can be obtained at a reasonable price and not wait until it must be had regardless of cost. Present patrons are not to be burdened for the benefit of those to be acquired in the distant future, but they can well afford to pay a somewhat higher rate that they themselves in the near future may enjoy a cheaper and better service. It is proper for the carrier not only to provide itself with ample facilities for the efficient conduct of its present business, but also to anticipate demands soon to be made as the country becomes more prosperous, and it is entitled to revenue sufficient for such purpose."

In an address at a dinner of the Canadian Club of New York, Frank Trumbull in speaking of "Efficiency" and comparing the situation in Canada with that of the United States says:

"As I understand it, your form of government is in one respect just the opposite of ours, viz., your Dominion Government has all the powers not granted to the Provinces, while our States have all the powers not ceded to the Federal Government. What has that to do, you say, with railroads? This: When our United States railroads fall ill from their own indiscretions or otherwise, forty-seven doctors step in—that is, forty-six States and the Federal Government—whereas under your form of government a railroad chartered

by the Dominion is regulated by the Federal Government only. See the enormous loss in efficiency and the great strain on the patient under our methods as compared with yours. This winter there have been introduced in the State legislatures of the United States four hundred sixty-nine bills affecting the mere operating questions of railroads, in a multitude of ways. Of the four hundred sixty-nine bills, fifty-six are so called 'Full Crew' bills, each of which, if enforced, will add to the railroads' cost of living.

"Railroad development in the United States is dependent not only upon the imagination of the engineer and the investor, but also upon the legislation of the Federal Government and forty-six states. There will soon be forty-eight. The development of one state may be dependent upon the legislation of another state a thousand miles away * * *

"While we are depending upon the imagination of the investor for railroad development, you are right now engaged in what is practically a profit-sharing arrangement with the investors in your railroads. If the option to take out a Federal charter for a railroad is good for you, perhaps, such an option will be good for us. Maximum efficiency will require us, sooner or later, to eliminate all burdens on interstate commerce. We will learn to say, 'The United States is a Nation,' not 'The United States are a Nation.' The Brandeis idea is right. What we need is more



CHARLES S. MELLEN



W. B. BIDDLE

efficiency. Let every man apply it in the activities of his own life, and let all of us together adopt it on a wider and wider scale,—and incidentally use it to augment international trade. The more we study efficiency, the more we will discover that the Interstate Commerce Law amply protects the country against extortionate rates and discriminations. The anti-trust laws, at least so far as railroads are concerned, involve an appalling waste of energy. We do not need both laws for the railroads any more than a State needs two Governors. Maximum efficiency entitles the people to have the commerce of this great country sent over the lines at least resistance. Duplication of train service, wasteful car supply, unnecessary hauls of empty cars, duplication of capital, and all that sort of thing ought to be cut out. If this could be done I have no doubt that one hundred million dollars a year could be saved in the operation of American railroads with which to tempt 'the imagination of both the engineer and the investor.'

"In efficiency, American railroads have been pioneers, not laggards. All things considered, they already are the most efficient in the world, and if 'scientific management' of the anti-trust laws could be adopted our railroads would excite the admiration of even our own countrymen. Let us drop the old quotation: 'In time of peace prepare for war,' and in its stead say to our neighbors, 'In time of friendship let us prepare

for more friendship.' In time of efficiency prepare for *more* efficiency. More abundance for the many. Let things be cheaper—and men, women, and children more valuable. The welfare of our race, and therefore the welfare of all races, is bound up in the one word, EFFICIENCY."

In permitting themselves to be swept by that portion of our population that uses the medium of the yellow writers to incite prejudice and error, the people have failed to take note of the published determination of the railroads not to request special legislation in their favor. On the contrary, they are anxious to abolish the practice of interfering with just government, and are especially anxious to have honest, unbiased legislation.

The following printed in a recent issue of one of our daily papers, shows that by consolidation the Association of Commerce expects to influence legislation to a very great extent. Note:

STRENGTH IN UNION.

"But the Union is just as strong under the present management. Whenever the down-state business men need help of the Chicago body, or when we need their help, in fighting a harmful bit of legislation, or in advancing the cause of legislation in the interests of the whole people, we have no difficulty now in getting together and

arousing public opinion and in reaching members of the legislature.”

The Chairman of the Frisco System, *B. F. Yoakum*, speaks for the railroads:

“The railroads ask for no special legislation in their interest. They only ask to be let alone until business can be adjusted to the operation of the present laws. There is no country in the world which enacts as many laws as does ours for the control and regulation of its institutions, which laws are repealed by the enactment of other laws before there is an opportunity to give them a fair trial or to adjust the business of the country to meet their requirements.”

Walker D. Hines of the Sante Fe writes, in the New York Times:

“The history of our country presents this curious contrast: With respect to industries generally, the country is so anxious to promote prosperity that it maintains a protective tariff, and does this with general public approval, for the purpose of promoting the prosperity of American industries, to the end that there may be adequate employment for American labor and adequate demand for American materials and supplies. But the most important industry in the country is the railroad industry. Its prosperity is of paramount importance to millions of persons dependent on railroad labor and to thousands of producers of

railway materials and supplies, yet, far from taking any affirmative step to assist the railroad, practically all governmental activity has been in the direction of cutting down their revenues and rendering more difficult the enlargement of the railroad industry. The railroads do not ask any affirmative assistance from the Government. They merely ask that the Government shall not obstruct a reasonable effort which the railroads are making to preserve their status in the face of an increased cost of living, which has brought about a readjustment in other prices."

W. B. Biddle says:

"What the roads are opposed to is the enlargement of the powers of the Interstate Commerce Commission to the extent of placing the rate-making power in the hands of the commission and practically taking it out of the hands of the railroads themselves. They believe that such a plan would threaten the entire rate adjustment of the country and would disturb business conditions generally without accomplishing any practical results."

In commenting on the recent decision of the Interstate Commerce Commission against the increase in the freight rates, requested by the railroads, the *Review of Reviews* says:

"For over twelve months the decision has been anxiously awaited and elaborately discussed, the



Edw. M. Kenna

general expectation being that the railroads would get a part of what they asked for. The decision, as given by Commissioner Prouty for the Eastern roads and Commissioner Lane for the Western roads, is a sweeping refusal of the railroads' request. With the exception of a few minor instances of rate increases in the Southwest, where the Commission determined the roads were not so prosperous as in the North and East, no advance of rates is allowed to any of the hundreds of roads interested. The Commission announced that if the proposed new schedule was not cancelled by March 10, it would go further than a refusal to allow present increases and make a rule that for two years to come there should be none. The railroad men expressed great surprise at the nature of the decision, and tendered the Commission a request that they should be allowed merely to suspend the new and higher schedule of tariffs until November 1 of this year, in the belief that before that date the monthly reports of the earnings would add competent and sufficient testimony to the original contention that the higher rates were actually necessary for the efficient operation of the roads and the maintenance of their credit. This request, too, was refused.

"The rate increases had been asked for by two groups of railroads. Those north of the Ohio River and east of the Mississippi had announced a revision of their class rates equivalent to a general increase of from 5 to 8 per cent. The roads

of the Middle West had demanded an increase in commodity rates of about the same proportions. It was estimated that the increase would be about \$27,000,000. It was urged, in support of the new schedules, that the wage advance of 1910 amounted in the aggregate, for the railroads of the country, to over \$1,000,000, and that very many of these wage advances were awarded by the Interstate Commerce Commission themselves, acting as arbitrators under the Erdmann Act. The railroads showed that aside from labor items their cost of living had increased all along the line, due to the large advance in the cost of materials and supplies in the last decade. It was urged that some increase in rates was absolutely necessary to enable the roads to give good service, and, most important, to enable them to sell securities for the purpose of extensions and improvements necessary to handle efficiently the always increasing volume of business.

"The railroads have apparently determined to accept the decision without appeal to the Commerce Court, and later, to the Supreme Court. Most of them show an inclination to make the best of it, and already there are evidences of quiet contraction in expenses, laying off of any employees that can be spared and making haste slowly in the matter of extensions that had been contemplated. Many railroad men are frankly admitting that the new necessity for efficient and economical management is not altogether a bad

thing. They are pleased, too, over the virtual ratification of the present schedule of rates as reasonable and proper, and believe that at least these will not be reduced. They feel that the sweeping character of the decision will operate to head off further demands from their employees for higher wages."

Here is the opinion of the "World's Work":

"The decision itself was a sweeping and dangerous decision. It was sweeping in that it made no exception to its prohibition except in the case of a few weak roads in the Southwest. It was dangerous in that, in the temper it showed, in the tone it displayed, and in its loose handling of statistics it gave additional fuel, fresh from government supplies, to the popular criticism of railroad management, railroad capitalization and railroad morals.

"The Commission dealt in averages in finding its conclusion that the roads were earning plenty of money. The veriest tyro in statistics knows by this time that averages are not a wholly unscientific means by which to judge the needs of a business enterprise, but also that they lead to entirely false conclusions even as to the whole group of enterprises included in the average.

"Now men are being laid off in all the railroad fields. Service is being cut down. Orders for economy go out from every executive office. At first, the process of adjustment to meet the condi-

tions was begun in temper. It settles down at last into habit. As earnings shrink—and they are shrinking—expenses must be cut in larger proportion than the falling off in gross. Here is an administrative task of danger and of difficulty. It can hardly go on very long without wide and disastrous effects.”

“Scientific Management,” the greatest solution to the problems of the day, would suggest a stronger co-operation amongst the railroads of the United States, in order that they might work together for the interest of the people at large who do not realize that transportation as well as production constitute commerce, that the welfare of one is absolutely dependent upon the welfare of the other, and that restriction in the advancement of either means “hard times” and poverty to the people of our country. As Richard Washburn Child says in his article published in “Everybody’s Magazine” of recent date:

“If the Sherman anti-trust act, which was not aimed at the railroads, is applied to railways and is effective to prevent consolidation, it is a contribution to waste. For it milks the business at one end or the other. The public can not eat their cake and have it.

“On the other hand, consolidation is economy. Regulation and the stimulation of efficiency are the safeguards against the waste of railroad competition. For this waste, so far as it exists, pub-



Geo. A. Ross



lic opinion must blame itself, and as soon as possible provide a safe means to foster honest consolidation and properly prevent those intercorporate relationships hitherto so common, in which the money of investors, who supposed they were investing in the railroad business, has been used by the dominant 'interests' of one road to gain a speculative control over another."

GEORGE H. ROSS' opinion on the matter is most interesting. Mr. Ross, who is generally known in railroad circles as "the little giant" has probably done more in a quiet way, without putting his name before the public, than any other railroad man, to inoculate the people with the idea that the railroads are not their enemy. Mr. Ross has taken a year's leave of absence and is in his California home, where he will devote his time to gardening at the economics of railroads in such a manner that the public can understand without the matter going over their heads.

The following memorandum is a statement by Mr. Ross of thoughts evolved in connection with the results of the recent sweeping decision handed down by the Interstate Commerce Commission in Interstate Commerce Commission Docket cases 3400 and 3500. The testimony in these cases demonstrates the wonderful effectiveness of the combined and organized efforts of the Commercial interests of the United States.

Likewise, the thoroughly organized and unified La-

bor organizations throughout the country which have become a factor so formidable that it seems almost impossible to deal rationally with same, except it be on the basis of increased costs to the railroads.

With these two powerful organizations arrayed in their different ways against the railroad interests wherein thoroughness of organization and unity of action are incompatible with the dominating spirit of competition which seems to prevail generally on the part of the political advisers of the country, it forces conclusive ideas and thought that some protective measures must be adopted forthwith by the railroads in order that an organization may be perfected, with an effectiveness equal to that of the Commercial interests and the Labor organizations throughout the country.

“As a hypothetical proposition, supposing that all the railroads of the United States were under governmental control, similarly as are the railroads of some of the political unions on the European continent;

“Or, supposing that a syndicate, or a group of syndicates, controlled all the railroads of the United States, and that syndicate or group of syndicates represented by a person or by persons in control, each having an executive board of boards of three or five members, and this board or these boards, through the head or heads of same,

controlled the thought and action of all the railroad managements of the United States;

“What would happen?

“It is quite clear that conditions would be brought about so that much of the competitive service throughout the country would be eliminated, as, for instance,

“Competitive freight and passenger service; and, to a certain extent,

“The number of shops, both locomotive and car;

“The number of agencies, freight and passenger—the traveling representatives of outside agencies would be eliminated entirely;

“The number of legal departments, and the application of laws—that is, the meaning of the laws could be interpreted through consolidated or concentrated offices at the larger centers;

“The different associations, involving operating, transportation, traffic (freight and passenger), engineering, car service, and quasi social-business associations like traffic clubs and associations in various cities, etc., etc.;

“Semi-legal and political organizations of many and varied kinds; all of which are of more or less expense and sapping in their various degrees the incomes of the different railroads.

“In addition, more joint facilities would be created and many individual facilities entirely eliminated.

“Furthermore, the above arrangement would

bring about simplicity in standards as to materials and conditions under which railroad managements are working.

"It would tend to promote a better understanding as to railroads being managed more economically; the service rendered by the railroads would be adequate but at a reduced cost, and many duplications, in many ways, would be done away with without a wastage of money caused by the duplication of new trackage, and in many instances tracks already existing could be used by other roads under trackage arrangements, rather than new construction.

"The various competitive influences surrounding the handling of service of any kind or character could be simplified under joint control to much better advantage than by individual action.

"It would lead to the unification of methods, means and materials; joint storehouses, carrying standard stocks, could be established, thereby reducing capital costs as well as capital invested in material in stock.

"Consolidation could be effected in traveling auditors; consolidating of bureaus for the auditing of accounts could be brought about, in fact, the entire proposition could be handled by lesser units, or more in unison.

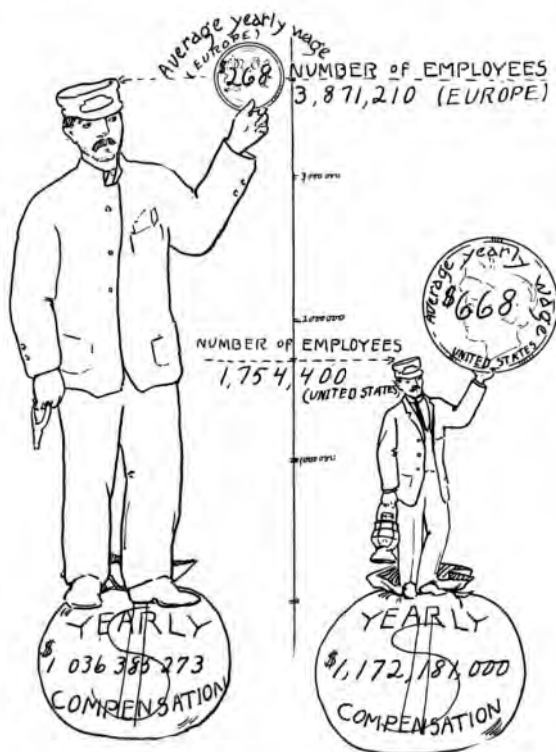
"Inspections of various kinds and characters could be similarly handled throughout the country, doing away with large corps of inspectors at every junction, simply from the fact that rules in



John A. ...

EUROPE UNITED STATES

A comparison of the wages paid to railroad employees



this respect would be more rigid and lived up to, because the competitive influences to take hazards in this direction would be done away with.

"The cost of advertising could be reduced very materially by reason of less competition in this direction and the adoption of more simple methods.

"In many ways could a vast reduction in motion be made, and less number of units of thought be brought about, tending towards simplicity and cost reduction.

"As an instance illustrating the necessity of a more thorough organization and unity in action among the railroads I cite an instance appearing in the public press—for instance, the *Chicago Record-Herald* of March 3rd, on the subject of 'Summer Tourist Rates,' namely,—

" 'There will be no increase this year in rates for summer tourist travel. This question was settled yesterday at a meeting of the Western Passenger Association, when an attempt to secure co-operation in a move to boost rates between Chicago and various points in the West during the coming summer failed of result. While the Eastern lines have not formally announced that last year's rates will prevail this season in their territory, it is regarded as a certainty that they will. With Western lines refusing to elevate prices, it is said, the Eastern roads will take no chance of losing business by increasing rates.

" 'Within the next five days, it is expected, of-

ficial notices will be issued by a number of roads disclosing the summer tourist rates that will be in force this year. Many of the roads, both in the East and in the West have been in favor of increasing prices, but they were deterred from acting by the stand taken by some of the other lines. Rates for state fairs also were discussed at a meeting of the Western Passenger Association, but no decision on the subject was reached.'

"By reason of the disturbing element—the lack of comprehension in regard to obtaining more income from service rendered which does not seem to be indelibly impressed upon the minds of some of the traffic managers, the railroads are putting forth service incompatible with the conditions existing, because of such service rendered being productive of less revenue, which seems unwarranted.

"The costs of preparing tariffs alone is of some moment. This expense, which is an item in itself, would be entirely eliminated under conditions which this article sets forth.

"Experience and observation demonstrate that sentiment controls Railroad action generally; it is not confined to any particular section,—it seems to be general throughout the country. Therefore, the epitome of this thought is: there is no East, there is no West, there is no North, there is no South—in respect to sentiment controlling transportation, whether such sentiment be of a political nature, or of a public nature.

"Therefore, if the railroads of the country

should come under governmental control, or the control of a syndicate, or syndicates, localities and districts and territories would be eliminated and the railroad question would be handled by one controlling spirit."

Co-operation is the true spirit of democracy and is absolutely essential to commercial progress. This antagonism of the shipper against the railroads, and the farmer against the railroads, and the people against the railroads, and labor against the railroads, must cease. It is the duty of all to lend a willing hand and endeavor to establish a greater common interest, and general success.

B. F. Yoakum in his able article in "The Fra" demonstrates the necessity for co-operation and in this instance, he speaks particularly of the dependence of the farmer upon the railroads. He believes that the breach between the railroad and the farmer, as well as between the railroads and all classes is due to the efforts of cheap politicians. Here is a little extract:

"That beneficial results follow co-operation between the man who produces and the man who transports is proven by sound business principles. Every analysis of the question shows it, and good business judgment endorses it. The only objection will come from that class of politicians and political lawyers which have thrived upon the prejudice it has created. Formerly the railroads

thought they had to do business with the farmer through the politicians—a very unbusiness-like method. That class of politicians is a go-between that can be safely cut out.

“The products of the farm and farm supplies constitute forty per cent of the freight of Western railroads. Therefore, each has substantial ways and means of helping the other. First, let us eliminate the men who foster hatred and malice only for the purpose of widening the breach of friendship between the producer and the transporter. Such men will assume any attitude they believe will help their own selfish ends.”

DEMAGOGUES ARE LOSING POWER.

“Demagogic politicians are slow to see the changes of political methods that are coming. They are fighting them, but their fight will be in vain. Conditions are changing; the people are going to know for themselves more about the institutions of the country with which they do business, and are going to adjust personal differences without political intervention.”

Most deplorable is the effect on the laboring class of this inflaming one class against another. Convinced by assertions of irresponsible charlatans that they are the prey of capital, they become dupes of men whose design is to fleece them.

Labor here in our own country has not been treated as it has in France, for instance, where Government

Ownership prevails. There they were obliged to strike so ardently that it was considered necessary to use the militia against the working people to force them on the pain of military punishment to resume work. And such measures were taken by such men as Briand and Clemenceau, radical socialists both of them, the people's favorites. Labor has never suffered so at the hands of the private owners of railroads of the United States, and in Europe, you must remember, the people do not rise readily against the government. There has been instilled in them from years of heredity an awe and feeling for those in power.

Compare our railroad with other home industries, and it will be found that there is less opposition to unionism in the railways than is developed in manufacturing, mining, or practically any other great industry. There are no sweat shops, truck stores, no child labor, nor many of the other deplorable things that prevail in other industries—in the shops of some of the shippers, which the people are so prone to support in the railroads' struggle for *FAIR PLAY*.

Human nature is manifested in labor organizations as well as every other organization, institution, or congregation. In every group of people, there will be found those who are lustful for power, for an opportunity to rule their fellow men. While leaders are necessary, because of the inequality in the ability of

men to help themselves, to know what is just and good for them, and also because it is virtually impossible for all people to have access to the necessary detailed information from which they may draw their conclusions, it is deplorably true that there are people so full of petty selfishness that they will resort to any possible means by which they can gain supremacy. This is true even in little social functions, and it is true also in the organizations that have for their prime object, the betterment of mankind. Humans are so constructed. Therefore, it is not wise to drink in every word a leader may say, and consider him infallible. The members of an organization must at all times keep this before them, and judge for themselves; not only judge, but they must act upon their convictions. At the same time, they must not lose sight of the fact that the leaders have the best opportunity to investigate and determine what is right or wrong, and if they prove conclusively that they are sincere and that they are capable, their judgment must have weight.

It is sometimes very difficult for a union man to know what to believe and what to do. When some leader, through no fault of the union commits an outrage, that galls every person who is not positively inhumane, he is sorely tried. He feels the awful reflection that is cast upon the union and there is a tendency on his part to protect the corrupt leader for the sake





W. L. Rams

1913



of the union's reputation. If such leaders were immediately tried and convicted, the members of the union should take pleasure in expelling him. That would prevent the antagonism on labor, which is apt to arise through such procedure. However, *it should first be proven that the leader is GUILTY*.

It must be admitted that such dynamite outrages as it is charged have been committed by union leaders such as John J. McNamara, secretary of the International Bridge and Structural Iron Workers' union, of Indianapolis; J. W. McNamara of Cincinnati, Ohio, his brother; Ortie E. McManigal of Chicago, Illinois, of the same union, are fiendish. A display in newspapers of similar acts is not going to induce much sympathy from the public. I refer to a display of this nature:

SERIES OF EXPLOSIONS BLAMED ON SUSPECTS.

"Oct. 24, 1909—A new telephone exchange, a saw mill and a garage at Indianapolis were destroyed by dynamite explosions. The saw mill and garage belonged to Albert von Spreckelsen, a contractor who was using non-union labor in constructing the telephone building.

"March 23, 1910—Dynamite explosions did \$15,000 damage to the courthouse in course of erection at Omaha, and the plant of Caldwell & Drake at Columbus, Ind. Caldwell & Drake

were contractors for the Omaha building and had trouble with union iron workers.

"Oct. 1, 1910—Los Angeles Times building wrecked and twenty-one persons killed. Bombs found at home of Gen. Harriscen Gray Otis, the publisher.

"Sept. 4, 1910—Two explosions damaged the plant of Lucas & Sons Iron Works at Peoria, Ill., and wrecked a bridge under construction.

"Dec. 18, 1910—Dynamite explosion damaged plant of the Llewellyn Iron Company, Los Angeles.

"Feb. 24, 1911—Explosion at the Iroquois Iron Works in South Chicago.

"March 25, 1911—Coal hoisting plant at Milwaukee, being erected by the Hyle & Patterson Construction Company of Pittsburgh. The damage amounted to \$200,000.

"April 5, 1911—Blast wrecked tower on Municipal building at Springfield, Mass."

If these men and their confederates are proven guilty, they should meet with the severest punishment that can be given them. But they should have an honest trial, and *until they are proven* guilty, they should be treated with ordinary courtesy. The fact that the police are requested to arrest a man does not give them the privilege to handle him like a dog. Have they a right to say whether or not the man is guilty? Are they judges?



And what right have the newspapers to assume the responsibility to condemn and convict a man on the eve of his arrest? Are the editors of the newspapers and magazines the chosen judges? Should they be permitted to influence public opinion by expressing their own personal opinions and publishing them as absolute truth? They gloat over the illegal, heinous offence of putting arrested persons in the so-called "sweat-box" and wringing a confession from them. In France, in Germany, in fact in every other civilized country but this, the first thing that is said to a person when arrested by an officer is, "Don't talk, anything you say will be used against you." Here the police say, "Talk, damn you, confess something or we will torture the life out of you." Is not there some way for these great philanthropists like Carnegie or Dr. Pearson and men like that to find a fund that will protect the poor man when arrested from the torture that is worse than the Spanish Inquisition? The police know they are legally wrong when they do this, but it is a case where they say, "Power is Might and Might is Right." The poor soul in the sweat-box, with sleepless nights, kicks in the face, thrusts on the body, with the hose plied on him, will confess almost anything to get relief and they call this an enlightened age! Crooks? Yes, but if they find any more in proportion to the population than are on the police force of this

country, they will have to make them because they don't exist at the present writing.

We have a law against "Kidnapping," yet the very officers who are paid to uphold the law delight in the nefarious practice of dragging arrested persons under suspicion from one state to another without due process of law, without proper extradition papers. This is against all right, against the constitution of the United States.

Have the police ever arrested any of the bomb throwers in Chicago? This has been going on for a number of years. Why haven't they? The police can answer all this,—they know why they have not. I believe that every man is innocent until he is proven guilty by a fair, impartial trial, but yellow journals, yellow writers,—how they gloat over such an arrest because it is sensation. They are the maggots of the human race and are eating the body before it is dead, and still the masses of the people believe what they read in the newspapers and newspapers are conducted and run in the interests of cliques and for political preference and power.

We cannot blame labor for the brutal tactics of bomb throwers any more than we can hold them responsible for measures employed by that man Shea during the teamsters' strike, when he had eggs filled with vitriol thrown at inoffensive horses.



GEORGE JAY GOULD

1



It certainly cannot be denied that there has been much graft in labor organizations, that there have been crooked leaders who have used Labor to strengthen their own ends, but never in the history of Labor, have the railroad organizations—the *Brotherhood of Locomotive Firemen and Enginemen*, the *Brotherhood of Railroad Trainmen*, the *Brotherhood of Locomotive Engineers*, the *Order of Railway Conductors*, etc. — never have they been touched with the mire and filth which has teemed amongst leaders of other organizations; never have their leaders, with the exception of what they saved from their frugal salaries, ever come out richer than when they went in, and just as clean and white. This is a great tribute to railroad labor organizations, *and they well deserve it.*

The following will give the reader an idea of the relation of The American Railroad Employes and Investors' Association to labor and to the employers of labor:

“The policy of the Association is one of non-interference with any legitimate labor program. It understands organized labor's hopes and ambitions and places no obstacle in its way or promotes or teaches no doctrine that would impede its intelligent progress. It is almost universal to suspect where one does not understand, which may readily account for the ridiculous and absurd stories told of the Association by those who oppose

it generally without investigation as to its mission. But thousands of union men have already subscribed to the principles of the Association, which is evidence that they do not regard its purposes as inconsistent with their labor affiliations. The railroad men of the United States need no guardianship in matters that pertain to their welfare. Nor do they seek or follow the counsel of any self-appointed wisdom trust as to their code of labor morals. They have been taught the doctrine that a man can be a good member of a labor union and at the same time take an interest in his employers' welfare, and they do not regard it as essential to their progress that they must view their employer as their enemy, even though they may occasionally meet him as their opponent."

Extreme animosity which is displayed in labor organizations is the greatest drawback toward realizing their true and basic desires. Why should unions be continually fighting unions? Why should one organization antagonize another organization of its own kind, both supposed to work for the interest of their members? Does it not seem merely personal quarrels between leaders, one trying to get ahead of the other? When an organization is well founded, when it is working along smooth and prosperous lines, and its members are benefiting by their union, why should it be so great a target for attack by other fellow organizations, that are not so well developed, unless it is because of the jealousy of its leaders?



That there is politics in labor organizations there is no doubt and sometimes it is the nastiest kind of politics. Why, there is politics in church conventions and some of the smallest, meanest kind of politics, but it is a pleasure to note that there are organizations that are able to keep their heads above water, and this is true of such substantially organized brotherhoods as the railroad brotherhoods before mentioned.

So far as this subject is concerned, the Interstate Commerce Commission is pregnant with politics. It is nothing else than a political body,—it is a seething mass of political vermin—and labor organizations know it.

Just as soon as there is a vacancy for the position of car inspector or car checker or any kind of work that the Interstate Commerce Commission gives attention to there is a little wireless word sent to the different labor leaders that such a vacancy will be and then for instance the late Mr. Mosely, until his death the Secretary of the Interstate Commerce Commission, who was omnipotent in his power, was immediately besieged by labor leaders to appoint this or that man and the proper bluff and farce of endorsement was gone through and he was appointed. Nothing wrong, probably, that such a man should be appointed, he is probably better than any other kind of a politician, but it is simply to demonstrate that politics do exist in labor

organizations and that the Interstate Commerce Commission is *reeking with it*.

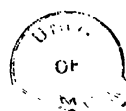
It is a pleasure to note that during the late controversy in *The Appeal to Reason* and *The Railroad Trainmen Magazine* in which figure Stone with his enginemen, Garretson with his conductors, Lee with his trainmen and Morrissey with his combination and such men as Roe and Debs and others who fight for fight's sake, there is a little man in Peoria with a big, gigantic brain who has stayed aloof from all this,—none other than *W. S. Carter*—and he has kept his organization, *The Brotherhood of Locomotive Firemen and Enginemen*, untouched, unsullied by the breath of scandal. It is refreshing.

When a man endeavors to bring Capital and Labor closer together he is taking a big step in the right direction, and when he is attacked by a man like Roe, it is simply because the latter is sore that he lost a soft job, and whether he was the right man or the wrong man for the place, whether he was rightly or wrongly put out of his job, cuts no figure in the matter at all. It proves conclusively that had Roe been left at Washington as Legislative Agent, with an expense account, he would not have attacked President Lee or P. H. Morrissey. As Mr. Morrissey says:

“We understand the basis of argument back of it all. It is that there must be undying enmity



J. W. Hendrick



between the employer and the employe in all of their relations or the best interests of the employe and the principles of trade unionism will not be protected. This means that the practices, methods and laws that have served so well for almost thirty years, the declarations in favor of mediation and arbitration and a common ground on which the employer and the employe can get together must all be thrown aside and the policy of open enmity take its place to satisfy this brother of the red card."

If a law is passed—and it will be passed sooner than expected—compelling men who are now engineers to be re-examined to show their fitness as engineers, probably seventy-five per cent of running engineers would fail. It would therefore be to the interest of the Brotherhood of Locomotive Engineers to be loyal to P. H. Morrissey, who is doing all in his power to bring about a state of affairs that will be most satisfactory to all concerned.

There must be more union, more stability. Almost every day the newspapers report some sort of strike. Will these strikes ever stop? Here is a sample of what we get almost daily:

DAY'S LABOR WAR FACTS.

"Dr. Charles P. Neill, United States labor commissioner, arrives in Chicago as a mediator in the controversy between the railroads and the freight handlers.

"Samuel Gompers departs from city after he has failed to settle the jurisdictional quarrel between plumbers and steamfitters.

"Sluggers attack members of steamfitters' union on two buildings, flourishing revolvers and threatening lives at each place.

"Towermen threaten to tie up freight and passenger transportation on all railroad terminals in the city by a strike."

This was published in the Chicago Tribune, May 4, 1911. Can not Labor see that when it even starts to fight among itself for jurisdictional rights, it is simply commencing an internal war that will be destructive to itself? This kind of continual trouble is bound to finally lead to government ownership, and that will mean politics, soldiers and war.

Harper's Weekly of April 8, 1911, mentioned the objection of Labor Organizations to scientific management. I will quote it:

"The campaign for scientific management of industries is still very young, but it seems to have struck a crisis already. Last week at a dinner at the Economic Club, this city, (New York) a number of speakers discussed the new ideas, and all but one seemed to be very much in favor of them. But that one was the first vice-president of the American Federation of Labor, and in voicing his opposition he did not say 'I' but 'we.' The next day his remarks were emphasized by a strike of

bricklayers at Glens Falls, which was distinctly directed against the 'scientific management' of their employer, who appears to have been one of the other speakers at the dinner. What the strikers particularly objected to was the so-called 'bonus system' under which any competent workman could increase his earnings,—as many were, in fact, doing—by working more efficiently.

"The question thus raised is a very serious one. Is organized labor going to set itself against more efficient methods in our industries? As Mr. Brandeis explained at the dinner; scientific management is not the bonus system; but he freely admitted that the bonus system is a common incident under scientific management, and he also thought it about the fairest way to secure for the workman, a proper share of the profit he aids in producing. According to the papers, the strike at Glens Falls was really brought on by the jealousy of the inefficient workmen, some of whom were also afraid of losing their jobs. That may not be entirely correct, and it may be that the spokesman of the unions at the dinner did not correctly represent their attitude. But it seems clear that a pretty strong element in organized labor does oppose not merely the bonus system, but the principle behind it. This element holds, apparently, that the unions must protect their inefficient members even if this has to be done by keeping down the earnings of the efficient. At any rate, it opposes raising the standard of efficiency."

Labor and Capital need one another. Without Labor, Capital would be comparatively worthless and without Capital, Labor would be absolutely worthless. They must work together in harmony; must work towards one another, with one another, and for one another. Let it once be understood that Capital and Labor are not afraid of each other, that the horny hand of the son of toil need not feel that when he grasps the so-called silken hand of Capital, that there is poison ivy or paris green in the touch; let them realize that one can help the other and that each with the other has nothing to do with failure, strife and unceasing struggle, let honest legislators at all times govern public utilities, whether they are railroads or anything else, and let the motive of railroads be honest. The railroads do not object to honest, reasonable restriction, but they do object to being browbeaten, bulldozed and made a scapegoat of.

The railroads are trying hard to avoid entirely the use of improper measures to influence legislation, and the people should meet them half way. If some railroad violates the law then it is the wish of the railroad men as a whole, that the offending company should be duly tried and punished. A just law should apply to all alike. There should not be one law for the railroads, one for the shippers, and one for the ordinary man or woman. Punish all, who through greedy gain

oversteps the law. Punish the railroad, punish the shippers, punish them jointly and severely if they are found guilty of discriminating or rebating in any form whatsoever. Punish the law-breaker in the labor unions, punish *all* who are found guilty—but be *sure* they are guilty, that they are proven guilty.

If the people are sincere in their desire for better railroad facilities, for improvements of every kind, for just rates and just returns to the small investors, let them harken to the railroads. Let them tear down the banners of yellow journalism, yellow magazineism, and yellow writers—contemptible hirelings who would sell their souls to purgatory and back again to filth and degradation for almost any price; who sell their brains—their God-given talent—to anybody who will buy it and who will permit themselves to be used in any manner. These so-called stigmatized yellow journalists or yellow writers have pandered to the Almighty Dollar as publishers of yellow journals have pandered to the morbid crowd. The same as people flock to a morgue and look upon the mutilated and decomposed remains of the dead, so have these publishers pandered to this same morbid crowd for circulation. The cry has been “CIRCULATION”; circulation means advertising, advertising means revenue and revenue means “OUR GOD.” For revenue they would sell their souls, and it seems as if the greater and more

powerful the newspaper, the more yellow its tactics. How do these large publishing institutions, these large dailies, with their circulation and their more or less great power,—how do they expect, some day or other when the time of reckoning comes, to justify themselves before the great public they have so long misled? They have preached the doctrine of “*Pull down,*” “*Tear down,*” “*Destroy.*”

If the people want the best possible treatment from the hands of the railroads, let them see that the railroads get just and proper treatment from the representatives, the legislators. Let them use their vote as a sacred instrument, and cast it for men who have some grain of manhood, who will handle their duty as a sacred trust for the betterment of the people they represent, for the glory of our Republic.

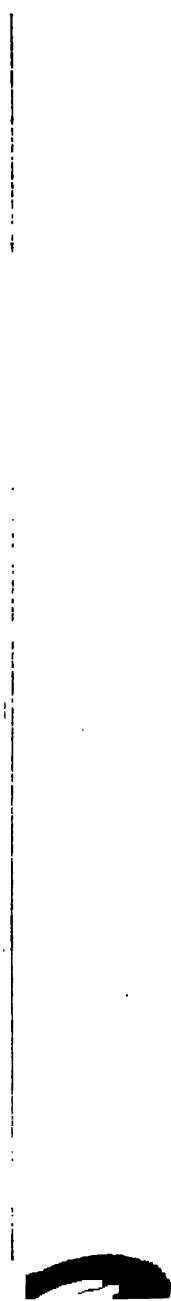
Too much confidence is placed in the hands of the few who are appointed to judge national complications. We rely upon the decision of our Supreme Court as the result of perfect judgment, but the judges of that Court are but human, and subject to error just as you and I. In a speech before The New York Bar Association, Senator Bailey said:

“While I do not believe that the Supreme Court has yet found the true rule for measuring justice both to the people and to the railroads, I have never for one moment doubted that they will



J. PIERPONT MORGAN





find it. That great tribunal has erred on more than one occasion, but it has sooner or later always realized its errors and corrected them. It is this universal belief in its ultimate wisdom which has given it a character enjoyed by no other department of this government, and approached by no other court in the history of the world. It is now, as it always has been and always must be, the one place where the distinctions of class and caste disappear and where the poor can meet the rich on a common level. The most powerful stand uncovered in its presence, and the weakest feel that it will always protect their rights. When discouraged by the violence of factions and the selfishness of demagogues, the patriot can always renew his faith in the permanence of this republic by remembering that the great and fundamental principles of human freedom as embodied in our Constitution will be saved from violation by its enlightened judgment.

“But, my countrymen, safely as we may trust that Court, I would not teach the people to rely on it alone for their security, and I would entreat them to understand that our perfect safety requires that we shall have wise and upright legislators to make our laws as well as wise and upright judges to construe them. If we would perpetuate these institutions in their purity and vigor, we must be governed by men who know what is right, and are brave enough to do it; but men who will consecrate their intellect and conscience to the public

service, asking no higher reward for their sacrifice of time and labor than the consciousness that they have contributed something towards preserving the independence of their countrymen; by men who value justice more than wealth and prefer duty above popularity; by men whom the blandishments of the monopolist can not seduce into doing wrong, nor the threats of a walking delegate deter from doing right. With such men to make, to construe, and to execute our laws, this republic, dedicated by our fathers to the proposition that their children would be capable of self-government, will fulfill the expectations of its founders, and become an example and an inspiration to all the world; and when this perfect work is done, the impartial historian must record that the lawyers of America have borne an honorable and a conspicuous part in its accomplishment."

JUSTICE is the fundamental idea of our republican government, but what part has Justice in the laws enacted by our legislators, which prescribed rates so unreasonably low that they were absolutely inadequate to meet the expenses incurred? What are the people doing but cutting their own throats by permitting this demoralizing restriction? As Mr. O. D. Ashley has said:

"No business can thrive under such adverse conditions. Railway property is threatened with destruction, and until the threat is removed the

alarm will not only continue, but increase. The money invested in railway securities was supposed to be in the property having equal protection under the laws of the land with other property. As common carriers, railways were, of course, known to be subject to certain regulations, but their rights to a fair compensation for the services performed have never been questioned before the persecution commenced by Congress and followed up by state legislatures. But a new doctrine, as dangerous as it is new, has been introduced, which claims not only to regulate the compensation which carriers shall receive, but to decide arbitrarily whether such compensation is reasonable or not. In other words, shippers, who are interested in obtaining the lowest rates possible, may unite in complaints to the interstate or state commissions; and if the commissioners, upon such investigation as they may choose to direct, conclude that a reduction shall be made, it is thus ordered. It is true the railway companies may appeal to the courts, as in many cases they have done, but the intent of the law, as interpreted by the commissioners, is to assume and maintain this power over the earning capacity and profits of property which is as much entitled to equitable consideration as property in real estate, manufactures, or trade. The laws applicable to common carriers, it is well understood and admitted, are intended to protect the public from exorbitant demands, and certain privileges are granted to the carriers, in exchange

for which the right of just and proper regulation is claimed and exercised. In the days of stages and baggage wagons, it would have been within the purview of the law to fix the rates of transportation and of fare as a condition of license, just as carriage rates are regulated by municipal law; but such powers were seldom, if ever, exercised, and would never have been subjected to for a day if the rates had been less than a fair compensation for the service performed, for the remedy was in the hands of the owner of the stage or wagon. He would simply refuse to perform the service; and if charges were unreasonably low, that is, unremunerative on the capital and labor required to do the work, no one else would undertake it. This remedy is not available to the railway carriers. The work of transportation must go on, and necessarily will go on, so long as operating expenses can be earned, including the cost of repair and maintenance. The stoppage of railway operation would paralyze the business of the whole country. It could not and would not be permitted.

“The struggle is bound to come, unless public sentiment forces legislation to respect vested rights; but belief in the strong sense of justice which is a fundamental idea of our republican form of government, and which has hitherto been a ruling principle with its people, inclines railway managers to wait for its influence as investigation and experience prove the error and wrong perpetrated.

“Meanwhile the railway trouble continues and productiveness diminishes.”

Senator Bailey, who has given the matter careful study, realizes that the railroads are not given *FAIR PLAY*. He says:

“I cannot accept the doctrine that a railroad is entitled to such rates as will yield a fair return on the value of its property irrespective of the value of its service; nor will I agree that a railroad can be required to render a service for less than a just compensation in order to reduce its net income to a fair return on its property. *The power to regulate the charges of a common carrier was never conferred on any government for the purpose of enabling it to prevent losses or to limit profits*, but it is designed, always and only, for the protection of the people against overcharges. If one railroad constructed through a sparsely settled region cannot render enough services at a just compensation for each, to yield a fair return on its value, that is the misfortune of those who have invested their money in such an enterprise; and it cannot practice an extortion against those who must patronize it in order to earn dividends for its stockholders. On the other hand, if another railroad constructed through a region with a dense population can render services enough, rendering each at a just compensation, to net its owners fifteen per cent on their investment, that is their good fortune, and the Legis-

lature has no power to reduce the rates on that railroad below a just compensation in order to reduce its dividends to what either legislators or judges may deem a fair return on the value of its property.

“Every government clothed with jurisdiction over any property devoted to a public use ought to possess, and does possess, the power to regulate the manner of its use and to prevent extortions from the public. In forming this Union the States reserved that power as to all interstate transactions, and granted it to the general government as to all interstate transactions, but the power of the States within their sphere, and the power of the general government within its sphere, is subject to that supreme limitation that private property shall not be taken for public use without just compensation; and nothing less than a judicial amendment to the Constitution can read into that clause any qualification as to profits and losses. A study of the relations which exist between railroads and the people will indicate very clearly the duty and the power of the government in fixing rates. *The obligation of every railroad to the people is to render them a prompt, safe, and proper service; and to render every person the same service for the same pay.* The obligation of the people to every railroad is to pay a just compensation for such service as they require of it; and the whole duty, as well as the whole power of the government, begins and ends with the due enforcement of these reciprocal obligations.”



Reciprocal duties of the people and the railroads are not confined merely to the constitutional rights of the railways and the constitutional power of the people. This does not mark the boundaries of their duties to each other. There are many things the railroads ought to do for the convenience and benefit of the public, which they could not be constitutionally forced to do, and the people should consider in adopting any proposed policy regarding railways not merely whether it would be constitutional, but whether it would be just to the railways and for the good of the people.

There is much in the railway system which must be improved upon, and the railroads are very willing to clean up matters and do all in their power to promote the welfare of their employees, their great number of investors, and the people at large, if they will be given *FAIR PLAY*.

Richard Washburn Child's suggestion as to publicity is perfectly in accord with the wishes of the best governed railroads. He claims:

"The first step toward valuation is publicity—compulsory publicity, at this moment, when we are unable to get any full measure of voluntary publicity. For sound public opinion and stability of the business, publicity is needed, and to the railroad officials, who do not seem to believe in 'turning themselves inside out,' we can only say that suspicion is probably a greater enemy than knowl-

edge. Indeed, the worst of the feeling against the railroads arises from their reluctance to disclose. The average man begins to feel that 'they have few things to desire and many things to fear.'

"The ends to be attained by publicity alone are not all. There should be a public control of the intercorporate relations of railroads—a public oversight of consolidation.

"If there is any one thing upon which popular opinion has been wrong, it has been the subject of keeping competition in a business which is naturally a monopoly.

"The public has not yet divested itself of the notion that competition in some way, saves something. We even find the President saying a word against agreements tending to suppress competition between two parallel and competing roads. But competition in the railroad business means waste; even from the point of view of the consumer of transportation it means waste."

SYSTEM IN REPORTING FACTS.

"A system of reporting the facts and conditions of the companies and their property should be established. Two things about the publicity are essential:

"First, it should be constant, which means reports at frequent intervals. Secondly, it should be in a form for every one's understanding. The

responsibility for these reports should be placed upon the directors.

"Publicity of this kind would not injure railway investments; it would make them desirable. Railway security values would become more stable. They would be withdrawn from the game of the market."

Mr. E. P. Ripley believes publicity highly desirable. He says:

"To remedy the present unsatisfactory condition, it is needful, on the one hand that railway managers as a class shall clearly see and frankly concede that they are quasi-public servants, owing a different and a higher duty to the public than almost any other business men, and act accordingly. They must also recognize that their duty does not consist merely in making reasonable rates, giving good service and honestly managing the properties entrusted to their care for the benefit both of the owners and the public, for the public has a right to interest itself in all the various questions about railway policy that arise; many of these questions are very complicated, and it is a duty of railway men, which usually has been rather poorly done, to discuss these questions with the imperative practical conditions which require the railway business to be managed on much the same commercial principle as other businesses, and why it is to the interest of the public that it shall be so conducted."

